EIGHTY-EIGHTH GENERAL ASSEMBLY
2020 REGULAR SESSION
DAILY

SENATE CLIP SHEET

June 14, 2020

Clip Sheet Summary

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

Bill	Amendment	Action	Sponsor
SF 457	S-5155	Concurred	RECEIVED FROM THE HOUSE
SF 2310	S-5154	Adopted	AMY SINCLAIR
SF 2417	S-5156	Adopted	CRAIG JOHNSON
SF 2418	S-5150	Adopted	WAYLON BROWN
SF 2419	S-5158	Adopted	JAKE CHAPMAN
HF 594	S-5151	Adopted	JASON SCHULTZ
HF 594	S-5162	Concurred	RECEIVED FROM THE HOUSE
HF 599	S-5152	Adopted	CHRIS COURNOYER
HF 2627	S-5153	Lost	NATE BOULTON
HF 2641	S-5157	Adopted	JAKE CHAPMAN
HF 2641	S-5160	Ruled Out of Order	LIZ MATHIS, et al
HF 2641	S-5161	Withdrawn	LIZ MATHIS, et al
HF 2642	S-5159	Adopted	CRAIG JOHNSON
HF 2643	S-5163	Adopted	MICHAEL BREITBACH

Fiscal Notes

SF 2310 — Iowa Learning Online (LSB5150SV.1)

SF 2419 — Tax Omnibus (LSB6414SV)

HF 2627 — Professional Licensing (LSB5563HZ.1)

HF 2641 — Department of Revenue, Omnibus Bill (LSB5409HV.2)

HOUSE AMENDMENT TO
SENATE FILE 457

S-5155

1 Amend Senate File 457, as amended, passed, and reprinted by
2 the Senate, as follows:
3 1. By striking everything after the enacting clause and
4 inserting:
5 <DIVISION I
6 SURCHARGES ADDED TO CRIMINAL PENALTIES AND DISTRIBUTION OF
7 SURCHARGE MONEYS
8 Section 1. Section 331.301, subsection 16, Code 2020, is
9 amended by striking the subsection.
10 Sec. 2. Section 331.302, subsection 2, Code 2020, is amended
11 to read as follows:
12 2. For a violation of an ordinance a county shall not
13 provide a penalty in excess of the maximum fine and term of
14 imprisonment for a simple misdemeanor under section 903.1,
15 subsection 1, paragraph *"a"*. The ~~criminal penalty~~ crime
16 services surcharge required by section 911.1 shall be added to
17 a county fine and is not a part of the county's penalty.
18 Sec. 3. Section 356.7, subsection 5, paragraph a, Code 2020,
19 is amended to read as follows:
20 *a.* Of the moneys collected and credited to the county
21 general fund as provided in this section and section 602.8106,
22 subsection 4, paragraph *"b"*, subparagraph (2), sixty percent of
23 the moneys collected shall be used for the following purposes:
24 (1) Courthouse security equipment and law enforcement
25 personnel costs.
26 (2) Infrastructure improvements of a jail, including new or
27 remodeling costs.
28 (3) Infrastructure improvements of juvenile detention
29 facilities, including new or remodeling costs.
30 (4) Medical and prescription drug costs of inmates in jail.
31 Sec. 4. Section 364.3, subsection 2, Code 2020, is amended
32 to read as follows:
33 2. For a violation of an ordinance a city shall not
34 provide a penalty in excess of the maximum fine and term of
35 imprisonment for a simple misdemeanor under section 903.1,

subsection 1, paragraph *"a"*. An amount equal to ~~ten~~ twenty percent of all fines collected by cities shall be deposited in the account established in section 602.8108. However, one hundred percent of all fines collected by a city pursuant to section 321.236, subsection 1, shall be retained by the city. The ~~criminal penalty~~ crime services surcharge required by section 911.1 shall be added to a city fine and is not a part of the city's penalty.

Sec. 5. Section 602.8102, subsection 135A, Code 2020, is amended to read as follows:

135A. Assess the surcharges provided by sections 911.1, ~~911.2,~~911.2A, 911.2B, ~~911.2C, 911.3, and 911.4~~ and 911.5.

Sec. 6. Section 602.8106, subsection 1, paragraphs d and e, Code 2020, are amended to read as follows:

d. For court costs in scheduled violation cases where a court appearance is required, ~~sixty~~ fifty-five dollars.

e. For court costs in scheduled violation cases where a court appearance is not required, ~~sixty~~ fifty-five dollars.

Sec. 7. Section 602.8106, subsections 2, 3, and 4, Code 2020, are amended to read as follows:

2. The clerk of the district court shall remit ~~ninety~~ eighty percent of all fines and forfeited bail to the city that was the plaintiff in any action, and shall provide that city with a statement showing the total number of cases, the total of all fines and forfeited bail collected, and the total of all cases dismissed. The remaining ~~ten~~ twenty percent shall be submitted to the state court administrator.

3. The clerk of the district court shall remit all fines and forfeited bail for violation of a county ordinance~~, except an ordinance relating to vehicle speed or weight restrictions,~~ to the county treasurer of the county that was the plaintiff in the action, and shall provide that county with a statement showing the total number of cases, the total of all fines and forfeited bail collected, and the total of all cases dismissed, except all fines and forfeited bail for violation of a county

ordinance relating to vehicle speed or weight restrictions shall be distributed pursuant to subsection 4, paragraph *"b"*. ~~However, if~~ If a county ordinance provides a penalty for a violation which is also penalized under state law, the fines and forfeited bail collected for the violation shall be ~~submitted to the state court administrator~~ distributed pursuant to subsection 4, paragraph *"b"*.

4. *a.* ~~The~~ Except as provided in paragraph *"b"*, the clerk of the district court shall submit all other fines, fees, costs, and forfeited bail received from a magistrate to the state court administrator.

b. The fine amount for a violation that occurred within the boundaries of the county shall be distributed as follows:

(1) Ninety-one percent to the state court administrator.

(2) Nine percent to the county treasurer for deposit in the county general fund where the violation occurred.

Sec. 8. Section 602.8107, subsection 1, paragraph b, Code 2020, is amended to read as follows:

b. (1) *"Installment agreement"* means an agreement made for the payment of court debt in excess of one hundred dollars in installments.

(2) The judicial branch may establish a threshold amount that is lower than the threshold amount specified in subparagraph (1) by court rule.

Sec. 9. Section 602.8107, subsection 2, paragraph c, subparagraph (2), Code 2020, is amended to read as follows:

(2) Fines or penalties and ~~criminal penalty and law enforcement initiative surcharges~~ the crime services surcharge.

Sec. 10. Section 602.8107, subsection 4, paragraph a, Code 2020, is amended to read as follows:

a. This subsection does not apply to amounts collected for victim restitution, the victim compensation fund, the ~~criminal penalty~~ crime services surcharge, sex offender civil penalty, ~~drug abuse resistance education surcharge, the law enforcement initiative surcharge, county enforcement surcharge,~~

agricultural theft surcharge, amounts collected as a result of procedures initiated under subsection 5 or under section 8A.504, or fees charged pursuant to section 356.7.

Sec. 11. Section 602.8108, subsections 3 and 7, Code 2020, are amended to read as follows:

3. The clerk of the district court shall remit to the state court administrator, not later than the fifteenth day of each month, ~~ninety-five percent of~~ all moneys collected from the ~~criminal penalty~~ surcharge provided in section 911.1 during the preceding calendar month. The ~~clerk shall remit the remainder to the county treasurer of the county that was the plaintiff in the action or to the city that was the plaintiff in the action. Of the amount received from the clerk, the~~ state court administrator shall allocate ~~seventeen~~ and deposit each month forty-six percent in the juvenile detention home fund in section 232.142, thirty-two percent ~~to be deposited~~ in the victim compensation fund established in section 915.94, ~~and eighty-three percent to be deposited in the general fund~~ twenty percent in the criminalistics laboratory fund established in section 691.9, and two percent in the drug abuse resistance education fund established in section 80E.4.

7. The clerk of the district court shall remit all moneys collected from the assessment of the ~~surcharges~~ surcharge provided in ~~sections~~ section911.2B~~and 911.2C~~ to the state court administrator for deposit in the address confidentiality program revolving fund created in section 9.8.

Sec. 12. Section 602.8108, subsection 4, Code 2020, is amended by striking the subsection and inserting in lieu thereof the following:

4. The clerk of the district court shall remit to the state court administrator, not later than the fifteenth day of each month, ninety-one percent of all moneys collected from county enforcement as provided section 602.8106, subsection 4, paragraph *"b"*, subparagraph (1), during the preceding calendar month. Of the amount received from the clerk, the state court

administrator shall allocate and deposit one and three-tenths percent in the emergency medical services fund in section 135.25, and shall allocate and deposit the remainder in the general fund of the state.

Sec. 13. Section 602.8108, subsections 5 and 8, Code 2020, are amended by striking the subsections.

Sec. 14. Section 602.8108, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 13. The clerk of the district court shall remit all moneys collected from the agricultural theft surcharge provided in section 911.5 to the state court administrator no later than the fifteenth day of each month for deposit in the general fund of the state, and the amount deposited is appropriated to the department of agriculture and land stewardship to support the Iowa emergency food purchase program fund established in section 190B.201.

Sec. 15. Section 805.8, subsection 1, Code 2020, is amended to read as follows:

1. *Application.* Except as otherwise indicated, violations of sections of the Code specified in sections 805.8A, 805.8B, and 805.8C are scheduled violations, and the scheduled fine for each of those violations is as provided in those sections, whether the violation is of state law or of a county or city ordinance. The ~~criminal penalty~~ crime services surcharge required by section 911.1~~and the county enforcement surcharge required by section 911.4, if applicable,~~ shall be added to the scheduled fine.

Sec. 16. Section 902.9, subsection 2, Code 2020, is amended to read as follows:

2. The surcharges required by sections 911.1, ~~911.2,~~911.2A, and ~~911.3~~ 911.5 shall be added to a fine imposed on a class "C" or class "D" felon, as provided by those sections, and are not a part of or subject to the maximums set in this section.

Sec. 17. Section 903.1, subsection 4, Code 2020, is amended to read as follows:

4. The surcharges required by sections 911.1, ~~911.2,~~911.2A, ~~911.3, and 911.4~~ and 911.5 shall be added to a fine imposed on a misdemeanant as provided in those sections, and are not a part of or subject to the maximums set in this section.

Sec. 18. Section 911.1, Code 2020, is amended to read as follows:

911.1 ~~Criminal penalty~~ Crime services surcharge.

1. A ~~criminal penalty~~ crime services surcharge shall be levied against law violators as provided in this section. When a court imposes a fine or forfeiture for a violation of state law, or a city or county ordinance, except an ordinance regulating the parking of motor vehicles, the court ~~or the clerk of the district court~~ shall assess an additional penalty in the form of a ~~criminal penalty~~ crime services surcharge equal to ~~thirty-five~~ fifteen percent of the fine or forfeiture imposed.

2. In the event of multiple offenses, the surcharge shall be based upon the total amount of fines or forfeitures imposed for all offenses.

3. When a fine or forfeiture is suspended in whole or in part, the court shall reduce the surcharge in proportion to the amount suspended.

4. The surcharge is subject to the provisions of chapter 909 governing the payment and collection of fines, as provided in section 909.8.

5. The surcharge shall be remitted by the clerk of court as provided in section 602.8108, subsection 3.

Sec. 19. Section 911.2A, subsection 1, Code 2020, is amended to read as follows:

1. In addition to any other surcharge, the court ~~or clerk of the district court~~ shall assess a human trafficking victim surcharge of one thousand dollars if an adjudication of guilt or a deferred judgment has been entered for a criminal violation of section 725.1, subsection 2, or section 710A.2, 725.2, or 725.3.

Sec. 20. Section 911.2B, Code 2020, is amended to read as follows:

911.2B Domestic ~~abuse assault,~~ or sexual abuse~~, stalking, and human trafficking victim~~ related crimes surcharge.

1. In addition to any other surcharge, the court ~~or clerk of the district court~~ shall assess a domestic abuse assault, domestic abuse protective order contempt, sexual abuse, stalking, and human trafficking victim surcharge of ~~one hundred~~ ninety dollars if an adjudication of guilt or a deferred judgment has been entered for a violation of section 708.2A, 708.11, or 710A.2, or chapter 709, or if a defendant is held in contempt of court for violating a domestic abuse protective order issued pursuant to chapter 236.

2. In the event of multiple offenses, the surcharge shall be imposed for each applicable offense.

3. The surcharge shall be remitted by the clerk of court as provided in section 602.8108, subsection 7.

Sec. 21. NEW SECTION. **911.5 Agricultural theft surcharge.**

1. In addition to any other surcharge, the court or clerk of the district court shall assess an agricultural theft surcharge equal to five hundred dollars, if an adjudication of guilt or a deferred judgment has been entered for a criminal violation involving any of the following:

a. Theft of agricultural property under section 714.2, subsection 1, 2, or 3.

b. Criminal mischief under section 716.3, 716.4, or 716.5, by damaging, defacing, altering, or destroying agricultural property.

2. As used in this section, agricultural property means any of the following:

a. A crop as defined in section 717A.1.

b. Livestock as defined in section 717.1.

c. (1) A colony or package as defined in section 160.1A, or a hive where bees are kept as described in section 160.5, if the department of agriculture and land stewardship is

authorized by that chapter to inspect the colony, package, or hive or to regulate the movement of the colony, package, or hive.

(2) A queen bee that is part of a colony or is being moved to be part of a colony as described in subparagraph (1).

3. The surcharge shall be remitted by the clerk of the district court as provided in section 602.8108, subsection 13.

Sec. 22. REPEAL. Sections 911.2, 911.2C, 911.3, and 911.4, Code 2020, are repealed.

DIVISION II

COURT FUNDS

Sec. 23. Section 602.1302, subsection 1, Code 2020, is amended to read as follows:

1. Except as otherwise provided by sections 602.1303~~,~~ ~~602.1304,~~ and 602.8108 or other applicable law, the expenses of operating and maintaining the judicial branch shall be paid out of the general fund of the state from funds appropriated by the general assembly for the judicial branch. State funding shall be phased in as provided in section 602.11101.

Sec. 24. Section 602.1304, subsection 1, Code 2020, is amended to read as follows:

1. Except as provided in article 8~~and subsection 2 of this section~~, all fees and other revenues collected by judicial officers and court employees shall be paid into the general fund of the state.

Sec. 25. Section 602.1304, subsection 2, Code 2020, is amended by striking the subsection.

Sec. 26. Section 602.8108, subsection 9, Code 2020, is amended by striking the subsection and inserting in lieu thereof the following:

9. *a.* A court technology and modernization fund is established as a separate fund in the state treasury. The state court administrator shall allocate seven million dollars of the moneys received under subsection 2 to be deposited in the fund, which shall be administered by the judicial branch.

1 *b.* The moneys in the fund shall be used to enhance the
2 ability of the judicial branch to process cases more quickly
3 and efficiently, to electronically transmit information to
4 state government, local governments, law enforcement agencies,
5 and the public, and to improve public access to the court
6 system. The moneys in the collection fund may also be used for
7 any the following:
8 (1) The Iowa court information system.
9 (2) Records management, equipment, services, and projects.
10 (3) Other technological improvements approved by the
11 judicial branch.
12 (4) Electronic legal research equipment, systems, and
13 projects.
14 (5) The study, development, and implementation of other
15 innovations and projects that would improve the administration
16 of justice.
17 (6) Capital improvements necessitated by the installation
18 of or connection with the Iowa court information system, the
19 Iowa communications network, or other like networks.
20 *c.* The fund shall be separate from the general fund of
21 the state and the balance in the fund shall not be considered
22 part of the balance of the general fund of the state.
23 Notwithstanding section 8.33, moneys in the fund shall not
24 revert to the general fund. Notwithstanding section 12C.7,
25 subsection 2, interest or earnings on moneys in the court
26 technology and modernization fund shall remain in the court
27 technology and modernization fund and any interest and earnings
28 shall be in addition to the maximum annual deposit amount.
29 Sec. 27. TRANSFER OF REMAINING FUNDS. Any unobligated
30 or unencumbered moneys remaining in the enhanced court
31 collections fund in section 602.1304 at the end of the fiscal
32 year beginning July 1, 2019, and ending June 30, 2020, shall be
33 transferred to the court technology and modernization fund.
34 DIVISION III
35 CIVIL FEES AND COURT COSTS

Sec. 28. Section 602.8105, subsections 1 and 2, Code 2020, are amended to read as follows:

1. The clerk of the district court shall collect the following fees:

a. Except as otherwise provided in this subsection, for filing and docketing a petition, one hundred ~~eighty-five~~ ninety-five dollars. In counties having a population of ninety-eight thousand or over, an additional five dollars shall be charged and collected to be known as the journal publication fee and used for the purposes provided for in section 618.13.

0b. For filing and docketing a petition for dissolution of marriage, which includes the docketing of any dissolution decree, two hundred sixty-five dollars. It is the intent of the general assembly that twenty percent of the funds generated from these fees be appropriated and used for sexual assault and domestic violence centers and eighty percent of the funds generated from these fees be appropriated to the general fund of the state.

b. For filing and docketing a petition pursuant to chapter 598 other than a dissolution of marriage petition, one hundred ten dollars.

c. For filing and docketing an application for modification of a dissolution decree to which a written stipulation is attached at the time of filing containing the agreement of the parties to the terms of modification, one hundred ten dollars.

~~*d.* For entering a final decree of dissolution of marriage, fifty dollars. It is the intent of the general assembly that the funds generated from the dissolution fees be appropriated and used for sexual assault and domestic violence centers.~~

~~*e.*~~ *d.* For filing and docketing a petition for adoption pursuant to chapter 600, ~~one hundred~~ zero dollars. ~~For multiple adoption petitions filed at the same time by the same petitioner under section 600.3, the filing fee and any court costs for any petition filed in addition to the first petition filed are waived.~~

~~*f.*~~ *e.* For filing and docketing a small claims action, the amounts specified in section 631.6.

~~*g.*~~ *f.* For an appeal from a judgment in small claims or for filing and docketing a writ of error, one hundred ~~eighty-five~~ ninety-five dollars.

~~*h.*~~ *g.* For a motion to show cause in a civil case, ~~fifty~~ sixty dollars.

~~*i.*~~ *h.* For filing and docketing a transcript of the judgment in a civil case, ~~fifty~~ sixty dollars.

~~*j.*~~ *i.* For filing a tribal judgment, one hundred ten dollars.

2. The clerk of the district court shall collect the following fees for miscellaneous services:

a. For filing and entering any other statutory lien, ~~fifty~~ sixty dollars.

b. For a certificate and seal, ~~twenty~~ thirty dollars. However, there shall be no charge for a certificate and seal to an application to procure a pension, bounty, or back pay for a member of the armed services or other person.

c. For certifying a change in title of real estate, ~~fifty~~ sixty dollars.

d. For filing a praecipe to issue execution under chapter 626, ~~twenty-five~~ thirty-five dollars. The fee shall be recoverable by the creditor from the debtor against whom the execution is issued. A fee payable by a political subdivision of the state under this paragraph shall be collected by the clerk of the district court as provided in section 602.8109. However, the fee shall be waived and shall not be collected from a political subdivision of the state if a county attorney or county attorney's designee is collecting a delinquent judgment pursuant to section 602.8107, subsection 4.

e. For filing a praecipe to issue execution under chapter 654, ~~fifty~~ sixty dollars.

f. For filing a confession of judgment under chapter 676, ~~fifty~~ sixty dollars if the judgment is five thousand dollars or

less, and one hundred ten dollars if the judgment exceeds five thousand dollars.

g. For filing a lis pendens, ~~fifty~~ sixty dollars.

h. For applicable convictions under section 692A.110 prior to July 1, 2009, a civil penalty of two hundred ten dollars, and for applicable convictions under section 692A.110 on or after July 1, 2009, a civil penalty of two hundred ~~fifty~~ sixty dollars.

i. Other fees provided by law.

Sec. 29. Section 602.8106, subsection 1, paragraph d, Code 2020, is amended to read as follows:

d. For court costs in scheduled violation cases where a court appearance is required, ~~sixty~~ fifty-five dollars.

Sec. 30. Section 631.6, subsection 1, paragraphs a and c, Code 2020, are amended to read as follows:

a. Fees for filing and docketing shall be ~~eighty-five~~ ninety-five dollars.

c. Postage charged for the mailing of original notice shall be ~~ten~~ twenty dollars.

DIVISION IV

SCHEDULED VIOLATIONS

Sec. 31. Section 321.24, subsection 12, Code 2020, is amended to read as follows:

12. A person who violates this section commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 2, paragraph *"b"*.

Sec. 32. Section 321.260, subsection 2, Code 2020, is amended to read as follows:

2. It shall be unlawful for any person to have in the person's possession any official traffic-control device except by legal right or authority. Any person convicted of unauthorized possession of any official traffic-control device shall upon conviction be guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 8, paragraph *"c"*. ~~In addition to any other~~

~~penalties, the punishment imposed for a violation of this subsection shall include assessment of a fine of not less than two hundred fifty dollars.~~

Sec. 33. Section 321.262, subsection 2, Code 2020, is amended to read as follows:

2. The driver shall remain at the scene of the accident until the driver has fulfilled the requirements of section 321.263. Any person failing to remain at the scene of the accident or fulfill the requirements of section 321.263 under such circumstances shall be guilty of a simple misdemeanor ~~and punished as provided in section 321.482~~ punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"m"*.

Sec. 34. Section 321.264, Code 2020, is amended to read as follows:

321.264 Striking unattended vehicle.

The driver of any vehicle which collides with any vehicle which is unattended shall immediately stop and shall then and there either locate and notify the operator or owner of such vehicle of the name and address of the driver and owner of the vehicle striking the unattended vehicle or shall leave in a conspicuous place in the vehicle struck a written notice giving the name and address of the driver and of the owner of the vehicle doing the striking and a statement of the circumstances thereof. A person who violates this section commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"n"*.

Sec. 35. Section 321.265, Code 2020, is amended to read as follows:

321.265 Striking fixtures upon a highway.

The driver of a vehicle involved in an accident resulting in damage to property legally upon or adjacent to a highway shall take reasonable steps to locate and notify the owner, a peace officer, or person in charge of the damaged property of the damage and shall inform the person of the driver's name

and address and the registration number of the vehicle causing the damage and shall, upon request and if available, exhibit the driver's license of the driver of the vehicle and shall report the accident when and as required in section 321.266. A person who violates this section commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"o"*.

Sec. 36. Section 321.324A, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A person who violates this section commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 6, paragraph *"0s"*.

Sec. 37. Section 321.371, subsection 2, Code 2020, is amended to read as follows:

2. A person who violates this section commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"p"*.

Sec. 38. Section 321.372, subsection 5, paragraph b, subparagraph (1), Code 2020, is amended to read as follows:

(1) For a first offense under subsection 3, the person is guilty of a simple misdemeanor punishable by a fine of at least ~~two hundred fifty~~ three hundred forty-five dollars but not more than ~~six hundred seventy-five~~ nine hundred thirty dollars or by imprisonment for not more than thirty days, or by both. The department may require the person to attend and successfully complete, at the person's own expense, a driver improvement program approved by the department in lieu of driver's license suspension for the offense pursuant to section 321.210.

Sec. 39. Section 321.383, subsection 4, Code 2020, is amended to read as follows:

4. ~~Any~~ Except as provided in subsection 5, any person who violates any provision of this section~~shall be fined as provided in~~ commits a simple misdemeanor punishable as a scheduled violation undersection 805.8A, subsection 3.

Sec. 40. Section 321.383, Code 2020, is amended by adding

the following new subsection:

NEW SUBSECTION. 5. A person who operates a self-propelled implement of husbandry at a speed which exceeds the limit of thirty-five miles per hour commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 5.

Sec. 41. Section 321.431, subsection 6, Code 2020, is amended to read as follows:

6. A person who violates this section commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 3, paragraph *"ad"*.

Sec. 42. Section 805.8A, Code 2020, is amended to read as follows:

805.8A Motor vehicle and transportation scheduled violations.

1. *Parking violations.*

a. For parking violations under sections 321.236, 321.239, 321.358, 321.360, and 321.361, the scheduled fine is five dollars, except if the local authority has established the fine by ordinance. The scheduled fine for a parking violation pursuant to section 321.236 increases by five dollars if authorized by ordinance and if the parking violation is not paid within thirty days of the date upon which the violation occurred. For purposes of calculating the unsecured appearance bond required under section 805.6, the scheduled fine shall be five dollars, or if the amount of the fine is greater than five dollars, the unsecured appearance bond shall be the amount of the fine established by the local authority. However, violations charged by a city or county upon simple notice of a fine instead of a uniform citation and complaint required by section 321.236, subsection 1, paragraph *"b"*, are not scheduled violations, and this section shall not apply to any offense charged in that manner. For a parking violation under section 461A.38, the scheduled fine is ten dollars. For a parking violation under section 321.362, the scheduled fine is twenty dollars.

b. For a parking violation under section 321L.2A, subsection 2, the scheduled fine is twenty dollars.

c. For violations under section 321L.2A, subsection 3, sections 321L.3, 321L.4, subsection 2, and section 321L.7, the scheduled fine is two hundred dollars.

2. *Title and registration violations.* For title or registration violations under the following sections, the scheduled fine is as follows:

a. Section 321.17.....~~$ 50~~ $ 70.

b. Section 321.24.....$135.

~~*b.*~~ *c.* Section 321.25.....~~$100~~ $135.

~~*c.*~~ *d.* Section 321.32.....~~$ 20~~ $ 30.

~~*d.*~~ *e.* Section 321.34.....~~$ 20~~ $ 30.

~~*e.*~~ *f.* Section 321.37.....~~$ 20~~ $ 30.

~~*f.*~~ *g.* Section 321.38.....~~$ 20~~ $ 30.

~~*g.*~~ *h.* Section 321.41.....~~$ 20~~ $ 30.

~~*h.*~~ *i.* Section 321.45.....~~$100~~ $135.

~~*i.*~~ *j.* Section 321.46.....~~$100~~ $135.

~~*j.*~~ *k.* Section 321.47.....~~$100~~ $135.

~~*k.*~~ *l.* Section 321.48.....~~$100~~ $135.

~~*l.*~~ *m.* Section 321.52.....~~$100~~ $135.

~~*m.*~~ *n.* Section 321.55.....~~$ 50~~ $ 70.

~~*n.*~~ *o.* Section 321.57.....~~$100~~ $135.

~~*o.*~~ *p.* Section 321.62.....~~$100~~ $135.

~~*p.*~~ *q.* Section 321.67.....~~$100~~ $135.

~~*q.*~~ *r.* Section 321.98.....~~$ 50~~ $ 70.

~~*r.*~~ *s.* Section 321.99.....~~$200~~ $260.

~~*s.*~~ *t.* Section 321.104.....~~$100~~ $135.

~~*t.*~~ *u.* Section 321.115.....~~$ 30~~ $ 45.

~~*u.*~~ *v.* Section 321.115A.....~~$ 30~~ $ 45.

3. *Equipment violations.* For equipment violations under the following sections, the scheduled fine is as follows:

a. Section 321.234A.....~~$ 50~~ $ 70.

b. Section 321.247.....~~$100~~ $135.

c. Section 321.317.....~~$ 20~~ $ 30.

d. Section 321.381.....~~$100~~ $135.

e. Section 321.381A.....~~$100~~ $135.

f. Section 321.382.....~~$ 25~~ $ 35.

g. Section 321.383, subsection 4.....~~$ 30~~ $ 45.

h. Section 321.384.....~~$ 30~~ $ 45.

i. Section 321.385.....~~$ 30~~ $ 45.

j. Section 321.386.....~~$ 30~~ $ 45.

k. Section 321.387.....~~$ 20~~ $ 30.

l. Section 321.388.....~~$ 20~~ $ 30.

m. Section 321.389.....~~$ 20~~ $ 30.

n. Section 321.390.....~~$ 20~~ $ 30.

o. Section 321.392.....~~$ 20~~ $ 30.

p. Section 321.393.....~~$ 20~~ $ 30.

q. Section 321.398.....~~$ 30~~ $ 45.

r. Section 321.402.....~~$ 30~~ $ 45.

s. Section 321.403.....~~$ 30~~ $ 45.

t. Section 321.404.....~~$ 30~~ $ 45.

u. Section 321.404A.....~~$ 25~~ $ 35.

v. Section 321.409.....~~$ 30~~ $ 45.

w. Section 321.415.....~~$ 30~~ $ 45.

x. Section 321.419.....~~$ 30~~ $ 45.

y. Section 321.420.....~~$ 30~~ $ 45.

z. Section 321.421.....~~$ 30~~ $ 45.

aa. Section 321.422.....~~$ 20~~ $ 30.

ab. Section 321.423.....~~$ 30~~ $ 45.

ac. Section 321.430.....~~$100~~ $135.

ad. Section 321.431.....$135.

~~*ad.*~~ *ae.* Section 321.432.....~~$ 20~~ $ 30.

~~*ae.*~~ *af.* Section 321.433.....~~$ 30~~ $ 45.

~~*af.*~~ *ag.* Section 321.436.....~~$ 20~~ $ 30.

~~*ag.*~~ *ah.* Section 321.438.....~~$ 50~~ $ 70.

~~*ah.*~~ *ai.* Section 321.439.....~~$ 20~~ $ 30.

~~*ai.*~~ *aj.* Section 321.440.....~~$ 20~~ $ 30.

~~*aj.*~~ *ak.* Section 321.441.....~~$ 20~~ $ 30.

~~*ak.*~~ *al.* Section 321.442.....~~$ 20~~ $ 30.

~~*al.*~~ *am.* Section 321.444.....~~$ 20~~ $ 30.

4. *Driver's license violations.* For driver's license violations under the following sections, the scheduled fine is as follows:

a. Section 321.174.....~~$ 200~~ $ 260.

b. Section 321.174A.....~~$ 50~~ $ 70.

c. Section 321.178, subsection 2, paragraph "*a*", subparagraph (2).....~~$ 30~~ $ 45.

d. Section 321.180.....~~$ 50~~ $ 70.

e. Section 321.180B.....~~$ 50~~ $ 70.

f. Section 321.193.....~~$ 50~~ $ 70.

g. Section 321.194.....~~$ 50~~ $ 70.

h. Section 321.216.....~~$ 100~~ $ 135.

i. Section 321.216B.....~~$ 200~~ $ 260.

j. Section 321.216C.....~~$ 200~~ $ 260.

k. Section 321.219.....~~$ 200~~ $ 260.

l. Section 321.220.....~~$ 200~~ $ 260.

5. *Speed violations.*

a. For excessive speed violations in excess of the limit under section 321.236, subsections 5 and 11, ~~sections~~ section 321.285, section 321.383, subsection 5, and section461A.36, the scheduled fine shall be the following:

(1) ~~Twenty~~ thirty dollars for speed not more than five miles per hour in excess of the limit.

(2) ~~Forty~~ fifty-five dollars for speed greater than five but not more than ten miles per hour in excess of the limit.

(3) ~~Eighty~~ One hundred five dollars for speed greater than ten but not more than fifteen miles per hour in excess of the limit.

(4) ~~Ninety~~ One hundred twenty dollars for speed greater than fifteen but not more than twenty miles per hour in excess of the limit.

(5) One hundred thirty-five dollars plus five dollars for each mile per hour of excessive speed over twenty miles per hour over the limit.

b. Excessive speed by a school bus is punishable as provided in subsection 10.

c. Excessive speed in conjunction with a violation of section 321.278 is not a scheduled violation, whatever the amount of excess speed.

d. For a violation under section 321.295, the scheduled fine is ~~fifty~~ seventy dollars.

6. *Operating violations.* For operating violations under the following sections, the scheduled fine is as follows:

a. Section 321.236, subsections 3, 4, 9, and 12.....~~$ 20~~ $ 30.

b. Section 321.275, subsections 1 through 7.....~~$ 35~~ $ 50.

c. Section 321.277A.....~~$ 35~~ $ 50.

d. Section 321.288.....~~$100~~ $135.

e. Section 321.297.....~~$100~~ $135.

f. Section 321.299.....~~$100~~ $135.

g. Section 321.302.....~~$100~~ $135.

h. Section 321.303.....~~$100~~ $135.

i. Section 321.304, subsections 1 and 2.....~~$100~~ $135.

j. Section 321.305.....~~$100~~ $135.

k. Section 321.306.....~~$100~~ $135.

l. Section 321.311.....~~$100~~ $135.

m. Section 321.312.....~~$100~~ $135.

n. Section 321.314.....~~$100~~ $135.

o. Section 321.315.....~~$ 35~~ $ 50.

p. Section 321.316.....~~$ 35~~ $ 50.

q. Section 321.318.....~~$ 35~~ $ 50.

r. Section 321.323.....~~$100~~ $135.

0s. Section 321.324A.....$135.

s. Section 321.340.....~~$100~~ $135.

t. Section 321.353.....~~$100~~ $135.

u. Section 321.354.....~~$100~~ $135.

v. Section 321.363.....~~$ 35~~ $ 50.

w. Section 321.365.....~~$ 35~~ $ 50.

x. Section 321.366.....~~$100~~ $135.

y. Section 321.395.....~~$100~~ $135.

7. *Failure to yield or obey violations.* For failure to yield or obey violations under the following sections, the scheduled fine is as follows:

a. Section 321.257, subsection 2, for a violation by an operator of a motor vehicle.....~~$100~~ $135.

b. Section 321.298.....~~$100~~ $135.

c. Section 321.307.....~~$100~~ $135.

d. Section 321.313.....~~$100~~ $135.

e. Section 321.319.....~~$100~~ $135.

f. Section 321.320.....~~$100~~ $135.

g. Section 321.321.....~~$100~~ $135.

h. Section 321.327.....~~$100~~ $135.

i. Section 321.329.....~~$100~~ $135.

j. Section 321.333.....~~$100~~ $135.

8. *Traffic sign or signal violations.* For traffic sign or signal violations under the following sections, the scheduled fine is as follows:

a. Section 321.236, subsections 2 and 6.~~$ 35~~ $ 50.

b. Section 321.256.....~~$100~~ $135.

c. Section 321.260, subsection 2.....$455.

~~*c.*~~ *d.* Section 321.294.....~~$100~~ $135.

~~*d.*~~ *e.* Section 321.304, subsection 3...~~$100~~ $135.

~~*e.*~~ *f.* Section 321.322.....~~$100~~ $135.

9. *Bicycle or pedestrian violations.* For bicycle or pedestrian violations under the following sections, the scheduled fine for a pedestrian or bicyclist is as follows:

a. Section 321.234, subsections 3 and 4.~~$ 25~~ $ 35.

b. Section 321.236, subsection 10.....~~$ 15~~ $ 25.

c. Section 321.257, subsection 2.....~~$ 25~~ $ 35.

d. Section 321.275, subsection 8.....~~$ 25~~ $ 35.

e. Section 321.325.....~~$ 25~~ $ 35.

f. Section 321.326.....~~$ 25~~ $ 35.

g. Section 321.328.....~~$ 25~~ $ 35.

h. Section 321.331.....~~$ 25~~ $ 35.

i. Section 321.332.....~~$ 25~~ $ 35.

j. Section 321.397.....~~$ 25~~ $ 35.

k. Section 321.434.....~~$ 25~~ $ 35.

9A. *Electric personal assistive mobility device violations.* For violations under section 321.235A, the scheduled fine is ~~fifteen~~ twenty-five dollars.

10. *School bus violations.* For violations by an operator of a school bus under sections 321.285 and 321.372, subsections 1 and 2, the scheduled fine is one hundred thirty-five dollars. However, an excessive speed violation by a school bus of more than ten miles per hour in excess of the limit is not a scheduled violation.

11. *a. Emergency vehicle and equipment-related violations.* For violations relating to authorized emergency vehicles, fire apparatus and equipment, and police bicycles under the following sections, the scheduled fine is as follows:

(1) Section 321.231.....~~$100~~ $135.

(2) Section 321.323A, subsection 1....~~$100~~ $135.

(3) Section 321.324.....~~$100~~ $135.

(4) Section 321.367.....~~$100~~ $135.

(5) Section 321.368.....~~$100~~ $135.

b. Violations relating to stationary nonemergency vehicles. For violations relating to the approach of certain stationary nonemergency vehicles under section 321.323A, subsections 2 and 3, the scheduled fine is one hundred thirty-five dollars.

12. *Restrictions on vehicles.*

a. For violations under sections 321.309, 321.310, 321.394, 321.461, and 321.462, the scheduled fine is ~~thirty-five~~ fifty dollars.

b. For violations under section 321.437, the scheduled fine is ~~thirty-five~~ fifty dollars.

c. For height, length, width, and load violations under sections 321.454, 321.455, 321.456, 321.457, and 321.458, the

scheduled fine is two hundred sixty dollars.

d. For violations under section 321.466, the scheduled fine is ~~twenty~~ twenty-five dollars for each two thousand pounds or fraction thereof of overweight.

e. (1) Violations of the schedule of axle and tandem axle and gross or group of axle weight violations in section 321.463 shall be scheduled violations subject to the provisions, procedures, and exceptions contained in sections 805.6 through 805.11, irrespective of the amount of the fine under that schedule.

(a) Violations of the schedule of weight violations shall be chargeable, where the fine charged does not exceed one thousand dollars, only by uniform citation and complaint.

(b) Violations of the schedule of weight violations, where the fine charged exceeds one thousand dollars shall, when the violation is admitted and section 805.9 applies, be chargeable upon uniform citation and complaint, indictment, or county attorney's information, but otherwise shall be chargeable only upon indictment or county attorney's information.

(2) In all cases of charges under the schedule of weight violations, the charge shall specify the amount of fine charged under the schedule. Where a defendant is convicted and the fine under the foregoing schedule of weight violations exceeds one thousand dollars, the conviction shall be of an indictable offense although section 805.9 is employed and whether the violation is charged upon uniform citation and complaint, indictment, or county attorney's information.

f. For a violation under section 321E.16, other than the provisions relating to weight, the scheduled fine is two hundred sixty dollars.

13. *Motor carrier and other operator violations.*

a. (1) For a violation under section 321.54, the scheduled fine is ~~thirty~~ forty-five dollars.

(2) For violations under sections 326.22 and 326.23, the scheduled fine is ~~fifty~~ seventy dollars.

b. For a violation under section 321.449, 321.449A, or 321.449B, the scheduled fine is ~~fifty~~ seventy dollars.

c. For violations under sections 321.364, 321.450, 321.460, and 452A.52, the scheduled fine is two hundred sixty dollars.

d. For violations of section 325A.3, subsection 6, or section 325A.8, the scheduled fine is one hundred thirty-five dollars.

e. For violations of chapter 325A, other than a violation of section 325A.3, subsection 6, or section 325A.8, the scheduled fine is ~~two~~ three hundred ~~fifty~~ twenty-five dollars.

f. For violations of section 327B.1, subsection 1 or 3, the scheduled fine is ~~two~~ three hundred ~~fifty~~ twenty-five dollars.

14. *Miscellaneous violations.*

a. Failure to obey a peace officer. For a violation under section 321.229, the scheduled fine is one hundred thirty-five dollars.

b. Abandoning a motor vehicle. For a violation under section 321.91, the scheduled fine is two hundred sixty dollars.

c. Seat belt or restraint violations.

(1) For a violation under section 321.445, the scheduled fine is ~~fifty~~ seventy dollars.

(2) For a violation under section 321.446, the scheduled fine is one hundred thirty-five dollars.

d. Litter and debris violations. For violations under sections 321.369 and 321.370, the scheduled fine is ~~seventy~~ ninety dollars.

e. Open container violations. For violations under sections 321.284 and 321.284A, the scheduled fine is two hundred sixty dollars.

f. Proof of financial responsibility. If, in connection with a motor vehicle accident, a person is charged and found guilty of a violation of section 321.20B, subsection 1, the scheduled fine is ~~five~~ six hundred forty-five dollars; otherwise, the scheduled fine for a violation of section

321.20B, subsection 1, is ~~two~~ three hundred ~~fifty~~ twenty-five dollars. Notwithstanding section 805.12, fines collected pursuant to this paragraph shall be submitted to the state court administrator and distributed fifty percent to the victim compensation fund established in section 915.94, twenty-five percent to the county in which such fine is imposed, and twenty-five percent to the general fund of the state.

g. Speed detection jamming devices. For a violation under section 321.232, the scheduled fine is one hundred thirty-five dollars.

h. Railroad crossing violations. For violations under sections 321.341, 321.342, 321.343, and 321.344, and 321.344B, the scheduled fine is two hundred sixty dollars.

i. Road work zone violations. The scheduled fine for any moving traffic violation under chapter 321, as provided in this section, shall be doubled if the violation occurs within any road work zone, as defined in section 321.1. However, notwithstanding subsection 5, the scheduled fine for violating the speed limit in a road work zone is as follows:

(1) One hundred ~~fifty~~ ninety-five dollars for speed not more than ten miles per hour over the posted speed limit.

(2) Three hundred ninety dollars for speed greater than ten but not more than twenty miles per hour over the posted speed limit.

(3) ~~Five~~ Six hundred forty-five dollars for speed greater than twenty but not more than twenty-five miles per hour over the posted speed limit.

(4) One thousand two hundred eighty-five dollars for speed greater than twenty-five miles per hour over the posted speed limit.

j. Vehicle component parts records violations. For violations under section 321.95, the scheduled fine is ~~fifty~~ seventy dollars.

k. Actions against a person on a bicycle. For violations under section 321.281, the scheduled fine is ~~two~~ three hundred

~~fifty~~ twenty-five dollars.

l. Writing, sending, or viewing an electronic message while driving violations. For violations under section 321.276, the scheduled fine is ~~thirty~~ forty-five dollars.

m. Leaving scene of traffic accident. For violations under section 321.262, the scheduled fine is one hundred thirty-five dollars.

n. Striking unattended vehicle. For violations under section 321.264, the scheduled fine is one hundred thirty-five dollars.

o. Striking fixtures upon highway. For violations under section 321.265, the scheduled fine is one hundred thirty-five dollars.

p. Clearing up wrecks. For violations under section 321.371, the scheduled fine is thirty-five dollars.

Sec. 43. Section 805.8B, Code 2020, is amended to read as follows:

805.8B Navigation, recreation, hunting, and fishing scheduled violations.

1. *Navigation violations.*

a. For violations of registration, inspections, identification, and record provisions under sections 462A.5, 462A.35, and 462A.37, and for unused or improper or defective lights and warning devices under section 462A.9, subsections 3, 4, 5, 9, and 10, the scheduled fine is ~~ten~~ twenty dollars.

b. For violations of registration, identification, and record provisions under sections 462A.4 and 462A.10, and for unused or improper or defective equipment under section 462A.9, subsections 2, 6, 7, 8, 13, and 14, and section 462A.11, and for operation violations under sections 462A.26, 462A.31, and 462A.33, the scheduled fine is ~~twenty~~ thirty dollars.

c. For operating violations under sections 462A.12, 462A.15, subsection 1, sections 462A.24, and 462A.34, the scheduled fine is ~~twenty-five~~ thirty-five dollars. However, a violation of section 462A.12, subsection 2, is not a scheduled violation.

d. For violations of use, location, and storage of vessels, devices, and structures under sections 462A.27, 462A.28, and 462A.32, the scheduled fine is ~~fifteen~~ twenty-five dollars.

e. For violations of all subdivision ordinances under section 462A.17, subsection 2, except those relating to matters subject to regulation by authority of section 462A.31, subsection 5, the scheduled fine is the same as prescribed for similar violations of state law. For violations of subdivision ordinances for which there is no comparable state law, the scheduled fine is ~~ten~~ twenty dollars.

2. *Snowmobile violations.*

a. For registration or user permit violations under section 321G.3, subsection 1, or section 321G.4B, the scheduled fine is ~~fifty~~ sixty-five dollars.

b. (1) For operating violations under section 321G.9, the scheduled fine is ~~fifty~~ seventy dollars.

(2) For operating violations under sections 321G.11 and 321G.13, subsection 1, paragraph *"d"*, the scheduled fine is ~~twenty~~ thirty dollars.

(3) For operating violations under section 321G.13, subsection 1, paragraphs *"a"*, *"b"*, *"e"*, *"f"*, *"g"*, *"h"*, and *"i"*, and section 321G.13, subsections 2 and 3, the scheduled fine is one hundred thirty-five dollars.

c. For improper or defective equipment under section 321G.12, the scheduled fine is ~~twenty~~ thirty dollars.

d. For violations of section 321G.19, the scheduled fine is ~~twenty~~ thirty dollars.

e. For decal violations under section 321G.5, the scheduled fine is ~~twenty~~ thirty dollars.

f. For stop signal violations under section 321G.17, the scheduled fine is one hundred thirty-five dollars.

g. For violations of section 321G.20 and for education certificate violations under section 321G.24, subsection 1, the scheduled fine is ~~fifty~~ seventy dollars.

h. For violations of section 321G.21, the scheduled fine is

one hundred thirty-five dollars.

2A. *All-terrain vehicle violations.*

a. For registration or user permit violations under section 321I.3, subsection 1, the scheduled fine is ~~fifty~~ seventy dollars.

b. (1) For operating violations under sections 321I.12 and 321I.14, subsection 1, paragraph *"d"*, the scheduled fine is ~~twenty~~ thirty dollars.

(2) For operating violations under section 321I.10, subsections 1 and 4, the scheduled fine is ~~fifty~~ seventy dollars.

(3) For operating violations under section 321I.14, subsection 1, paragraphs *"a"*, *"e"*, *"f"*, *"g"*, and *"h"*, and section 321I.14, subsections 2, 3, 4, and 5, the scheduled fine is one hundred thirty-five dollars.

c. For improper or defective equipment under section 321I.13, the scheduled fine is ~~twenty~~ thirty dollars.

d. For violations of section 321I.20, the scheduled fine is ~~twenty~~ thirty dollars.

e. For decal violations under section 321I.6, the scheduled fine is ~~twenty~~ thirty dollars.

f. For stop signal violations under section 321I.18, the scheduled fine is one hundred thirty-five dollars.

g. For violations of section 321I.21 and for education certificate violations under section 321I.26, subsection 1, the scheduled fine is ~~fifty~~ seventy dollars.

h. For violations of section 321I.22, the scheduled fine is one hundred thirty-five dollars.

3. *Hunting and fishing violations.*

a. For violations of section 484A.2, the scheduled fine is ~~ten~~ twenty dollars.

b. For violations of sections 481A.54, 481A.69, 481A.71, 481A.72, 482.6, 483A.3, 483A.6, 483A.8A, 483A.19, 483A.27, and 483A.27A, the scheduled fine is ~~twenty~~ thirty dollars.

c. For violations of sections 481A.6, 481A.21, 481A.22,

481A.26, 481A.50, 481A.56, 481A.60 through 481A.62, 481A.83, 481A.84, 481A.92, 481A.123, 481A.145, subsection 3, sections 483A.6A, 483A.7, 483A.8, 483A.23, 483A.24, and 483A.28, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

d. For violations of sections 481A.7, 481A.24, 481A.47, 481A.52, 481A.53, 481A.55, 481A.58, 481A.76, 481A.90, 481A.91, 481A.97, 481A.122, 481A.126, 481A.142, 481A.145, subsection 2, sections 482.5, 482.7, 482.8, 482.10, and 483A.37, the scheduled fine is ~~fifty~~ seventy dollars.

e. For violations of sections 481A.57, 481A.85, 481A.93, 481A.95, 481A.120, 481A.137, 481B.5, 482.3, 482.9, 482.15, and 483A.42, the scheduled fine is one hundred thirty-five dollars.

f. For violations of section 481A.38 relating to the taking, pursuing, killing, trapping or ensnaring, buying, selling, possessing, or transporting any game, protected nongame animals, fur-bearing animals, or fur or skin of the animals, mussels, frogs, or fish or part of them, the scheduled fines are as follows:

(1) For deer or turkey, the scheduled fine is one hundred thirty-five dollars.

(2) For protected nongame, the scheduled fine is one hundred thirty-five dollars.

(3) For mussels, frogs, spawn, or fish, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

(4) For other game, the scheduled fine is ~~fifty~~ seventy dollars.

(5) For fur-bearing animals, the scheduled fine is ~~seventy-five~~ one hundred dollars.

g. For violations of section 481A.38 relating to an attempt to take, pursue, kill, trap, buy, sell, possess, or transport any game, protected nongame animals, fur-bearing animals, or fur or skin of the animals, mussels, frogs, or fish or part of them, the scheduled fines are as follows:

(1) For game or fur-bearing animals, the scheduled fine is ~~fifty~~ seventy dollars.

(2) For protected nongame, the scheduled fine is ~~fifty~~ seventy dollars.

(3) For mussels, frogs, spawn, or fish, the scheduled fine is ~~ten~~ twenty dollars.

h. For violations of section 48lA.48 relating to restrictions on game birds and animals, the scheduled fines are as follows:

(1) For out-of-season, the scheduled fine is one hundred thirty-five dollars.

(2) For over limit, the scheduled fine is one hundred thirty-five dollars.

(3) For attempt to take, the scheduled fine is ~~fifty~~ seventy dollars.

(4) For general waterfowl restrictions, the scheduled fine is ~~fifty~~ seventy dollars.

(a) For no federal stamp, the scheduled fine is ~~fifty~~ seventy dollars.

(b) For unplugged shotgun, the scheduled fine is ~~ten~~ twenty dollars.

(c) For possession of other than steel shot, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

(d) For early or late shooting, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

(5) For possession of a prohibited pistol or revolver while hunting deer, the scheduled fine is one hundred thirty-five dollars.

(6) For possession of a prohibited rifle while hunting deer, the scheduled fine is ~~two~~ three hundred ~~fifty~~ twenty-five dollars.

i. For violations of section 48lA.67 relating to general violations of fishing laws, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

(1) For over limit catch, the scheduled fine is ~~thirty~~ forty-five dollars.

(2) For under minimum length or weight, the scheduled fine

is ~~twenty~~ thirty dollars.

(3) For out-of-season fishing, the scheduled fine is ~~fifty~~ seventy dollars.

j. For violations of section 481A.73 relating to trotlines and throwlines:

(1) For trotline or throwline violations in legal waters, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

(2) For trotline or throwline violations in illegal waters, the scheduled fine is ~~fifty~~ seventy dollars.

k. For violations of section 481A.144, subsection 4, or section 481A.145, subsections 4, 5, and 6, relating to minnows:

(1) For general minnow violations, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

(2) For commercial purposes, the scheduled fine is ~~fifty~~ seventy dollars.

l. For violations of section 481A.87 relating to the taking or possessing of fur-bearing animals out of season:

(1) For red fox, gray fox, or mink, the scheduled fine is one hundred thirty-five dollars.

(2) For all other furbearers, the scheduled fine is ~~fifty~~ seventy dollars.

m. For violations of section 482.4 relating to gear tags:

(1) For commercial license violations, the scheduled fine is one hundred thirty-five dollars.

(2) For no gear tags, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

n. For violations of section 482.11, the scheduled fine is one hundred thirty-five dollars.

o. For violations of rules adopted pursuant to section 483A.1 relating to licenses and permits, the scheduled fines are as follows:

(1) For a license or permit costing ten dollars or less, the scheduled fine is ~~twenty~~ thirty dollars.

(2) For a license or permit costing more than ten dollars but not more than twenty dollars, the scheduled fine is ~~thirty~~

forty-five dollars.

(3) For a license or permit costing more than twenty dollars but not more than forty dollars, the scheduled fine is ~~fifty~~ seventy dollars.

(4) For a license or permit costing more than forty dollars but not more than fifty dollars, the scheduled fine is ~~seventy~~ ninety-five dollars.

(5) For a license or permit costing more than fifty dollars but less than one hundred dollars, the scheduled fine is one hundred thirty-five dollars.

(6) For a license or permit costing one hundred dollars or more, the scheduled fine is two times the cost of the original license or permit.

p. For violations of section 483A.26 relating to false claims for licenses:

(1) For making a false claim for a license by a resident, the scheduled fine is ~~fifty~~ seventy dollars.

(2) For making a false claim for a license by a nonresident, the scheduled fine is one hundred thirty-five dollars.

q. For violations of section 483A.36 relating to the conveyance of guns:

(1) For conveying an assembled, unloaded gun, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

(2) For conveying a loaded gun, the scheduled fine is ~~fifty~~ seventy dollars.

4. *Ginseng violations.* For a violation of section 456A.24, subsection 11, the scheduled fine is one hundred thirty-five dollars.

5. *Aquatic invasive species violations.* For violations of section 456A.37, subsection 3, the scheduled fine is as follows:

a. For violations of section 456A.37, subsection 3, paragraph *"a"*, the scheduled fine is ~~five~~ six hundred forty-five dollars.

b. For violations of section 456A.37, subsection 3,

paragraph *"b"*, the scheduled fine is ~~seventy-five~~ one hundred dollars.

c. For repeat violations of section 456A.37, subsection 3, paragraph *"a"* or *"b"*, within the same twelve-month period, the scheduled fine shall include an additional fine of ~~five~~ six hundred forty-five dollars for each violation.

6. *Misuse of parks and preserves.*

a. For violations under sections 461A.39, 461A.45, and 461A.50, the scheduled fine is ~~ten~~ twenty dollars.

b. For violations under sections 461A.40, 461A.46, and 461A.49, the scheduled fine is ~~fifteen~~ twenty-five dollars.

c. For violations of sections 461A.35, 461A.42, and 461A.44, the scheduled fine is ~~fifty~~ seventy dollars.

d. For violations of section 461A.48, the scheduled fine is ~~twenty-five~~ thirty-five dollars.

e. For violations under section 461A.43, the scheduled fine is ~~thirty~~ forty-five dollars.

Sec. 44. Section 805.8C, Code 2020, is amended to read as follows:

805.8C Miscellaneous scheduled violations.

1. *Energy emergency violations.* For violations of an executive order issued by the governor under the provisions of section 473.8, the scheduled fine is ~~fifty~~ seventy dollars.

2. *Alcoholic beverage violations.* For violations of section 123.49, subsection 2, paragraph *"h"*, the scheduled fine for a licensee or permittee is one thousand ~~five~~ nine hundred twenty-five dollars, and the scheduled fine for a person who is employed by a licensee or permittee is ~~five~~ six hundred forty-five dollars.

3. *Violations related to smoking, tobacco, tobacco products, alternative nicotine products, vapor products, and cigarettes.*

a. For violations described in section 142D.9, subsection 1, the scheduled fine is fifty dollars, and is a civil penalty, and the ~~criminal penalty~~ crime services surcharge under section 911.1 shall not be added to the penalty, and the court costs

pursuant to section 805.9, subsection 6, shall not be imposed. If the civil penalty assessed for a violation described in section 142D.9, subsection 1, is not paid in a timely manner, a citation shall be issued for the violation in the manner provided in section 804.1. However, a person under age eighteen shall not be detained in a secure facility for failure to pay the civil penalty. The complainant shall not be charged a filing fee.

b. For violations of section 453A.2, subsection 1, by an employee of a retailer, the scheduled fine is as follows:

(1) If the violation is a first offense, the scheduled fine is one hundred thirty-five dollars.

(2) If the violation is a second offense, the scheduled fine is ~~two~~ three hundred ~~fifty~~ twenty-five dollars.

(3) If the violation is a third or subsequent offense, the scheduled fine is ~~five~~ six hundred forty-five dollars.

c. For violations of section 453A.2, subsection 2, the scheduled fine is as follows and is a civil penalty, and the ~~criminal penalty~~ crime services surcharge under section 911.1 shall not be added to the penalty, and the court costs pursuant to section 805.9, subsection 6, shall not be imposed:

(1) If the violation is a first offense, the scheduled fine is ~~fifty~~ seventy dollars.

(2) If the violation is a second offense, the scheduled fine is one hundred thirty-five dollars.

(3) If the violation is a third or subsequent offense, the scheduled fine is ~~two~~ three hundred ~~fifty~~ twenty-five dollars.

4. *Electrical or mechanical amusement device violations.*

a. For violations of legal age for operating an electrical or mechanical amusement device required to be registered as provided in section 99B.53, pursuant to section 99B.57, subsection 1, the scheduled fine is ~~two~~ three hundred ~~fifty~~ twenty-five dollars. Failure to pay the fine by a person under the age of eighteen shall not result in the person being detained in a secure facility.

b. For first offense violations concerning electrical or mechanical amusement devices as provided in section 99B.54, subsection 2, the scheduled fine is ~~two~~ three hundred ~~fifty~~ twenty-five dollars.

5. *Gambling violations.*

a. For violations of legal age for gambling wagering under section 99D.11, subsection 7, section 99F.9, subsection 5, and section 725.19, subsection 1, the scheduled fine is ~~five~~ six hundred forty-five dollars. Failure to pay the fine by a person under the age of eighteen shall not result in the person being detained in a secure facility.

b. For legal age violations for entering or attempting to enter a facility under section 99F.9, subsection 6, the scheduled fine is ~~five~~ six hundred forty-five dollars. Failure to pay the fine by a person under the age of eighteen shall not result in the person being detained in a secure facility.

6. *Pseudoephedrine sales violations.* For violations of section 126.23A, subsection 1, by an employee of a retailer, or for violations of section 126.23A, subsection 2, paragraph *"a"*, by a purchaser, the scheduled fine is as follows:

a. If the violation is a first offense, the scheduled fine is two hundred sixty dollars.

b. If the violation is a second offense, the scheduled fine is ~~two~~ three hundred ~~fifty~~ twenty-five dollars.

c. If the violation is a third or subsequent offense, the scheduled fine is ~~five~~ six hundred forty-five dollars.

7. *Alcoholic beverage violations by persons eighteen, nineteen, or twenty years of age.* For first offense violations of section 123.47, subsection 4, the scheduled fine is two hundred sixty dollars.

8. *Unlicensed premises owner — under eighteen years of age consumption or possession.* For first offense violations of section 123.47, subsection 2, the scheduled fine is two hundred sixty dollars.

9. *Notification violations.* For violations of section

229.22, subsection 6, the scheduled fine is one thousand dollars for a first violation and two thousand dollars for a second or subsequent violation. The scheduled fine under this subsection is a civil penalty, and the ~~criminal penalty~~ crime services surcharge under section 911.1 shall not be added to the penalty.

10. *Scrap metal transaction violations.* For violations of section 714.27, the scheduled fine is one hundred dollars for a first violation, five hundred dollars for a second violation within two years, and one thousand dollars for a third or subsequent violation within two years. The scheduled fine under this subsection is a civil penalty which shall be deposited into the general fund of the county or city if imposed by a designated officer or employee of a county or city, or deposited in the general fund of the state if imposed by a state agency, and the ~~criminal penalty~~ crime services surcharge under section 911.1 shall not be added to the penalty.

11. *Trespassing violations.* For trespasses punishable under section 716.8, subsection 1 or 5, the scheduled fine is two hundred sixty dollars for a first violation, ~~five~~ six hundred forty-five dollars for a second violation, and one thousand two hundred eighty-five dollars for a third or subsequent violation.

12. *Internet fantasy sports contest violations.* For violations of legal age for entering an internet fantasy sports contest under section 99E.7, the scheduled fine is five hundred dollars. Failure to pay the fine by a person under the age of eighteen shall not result in the person being detained in a secure facility.

DIVISION V

MISDEMEANOR AND FELONY FINES

Sec. 45. Section 902.9, subsection 1, paragraphs d and e, Code 2020, are amended to read as follows:

d. A class "C" felon, not an habitual offender, shall be

confined for no more than ten years, and in addition shall be sentenced to a fine of at least one thousand three hundred seventy dollars but not more than ~~ten~~ thirteen thousand six hundred sixty dollars.

e. A class "D" felon, not an habitual offender, shall be confined for no more than five years, and in addition shall be sentenced to a fine of at least ~~seven hundred fifty~~ one thousand twenty-five dollars but not more than ~~seven~~ ten thousand ~~five~~ two hundred forty-five dollars.

Sec. 46. Section 903.1, subsections 1 and 2, Code 2020, are amended to read as follows:

1. If a person eighteen years of age or older is convicted of a simple or serious misdemeanor and a specific penalty is not provided for or if a person under eighteen years of age has been waived to adult court pursuant to section 232.45 on a felony charge and is subsequently convicted of a simple, serious, or aggravated misdemeanor, the court shall determine the sentence, and shall fix the period of confinement or the amount of fine, which fine shall not be suspended by the court, within the following limits:

a. For a simple misdemeanor, there shall be a fine of at least ~~sixty-five~~ one hundred five dollars but not to exceed ~~six~~ eight hundred ~~twenty-five~~ fifty-five dollars. The court may order imprisonment not to exceed thirty days in lieu of a fine or in addition to a fine.

b. For a serious misdemeanor, there shall be a fine of at least ~~three~~ four hundred ~~fifteen~~ thirty dollars but not to exceed ~~one~~ two thousand ~~eight~~ five hundred ~~seventy-five~~ sixty dollars. In addition, the court may also order imprisonment not to exceed one year.

2. When a person is convicted of an aggravated misdemeanor, and a specific penalty is not provided for, the maximum penalty shall be imprisonment not to exceed two years. There shall be a fine of at least ~~six~~ eight hundred ~~twenty-five~~ fifty-five dollars but not to exceed ~~six~~ eight thousand ~~two~~ five hundred

1 ~~fifty~~ forty dollars. When a judgment of conviction of an
2 aggravated misdemeanor is entered against any person and the
3 court imposes a sentence of confinement for a period of more
4 than one year the term shall be an indeterminate term.
5 DIVISION VI
6 CRIMINALISTICS LABORATORY FUND
7 Sec. 47. Section 691.9, Code 2020, is amended to read as
8 follows:
9 **691.9 Criminalistics laboratory fund.**
10 A criminalistics laboratory fund is created as a separate
11 fund in the state treasury under the control of the department
12 of public safety. The fund shall consist of appropriations
13 made to the fund and transfers of interest, moneys collected
14 from the crime services surcharge established in section 911.1,
15 and earnings. All moneys in the fund are appropriated to
16 the department of public safety for use by the department in
17 criminalistics laboratory equipment and supply purchasing,
18 maintenance, depreciation, ~~and~~ training, and payments of the
19 fees charged by the department of administrative services for
20 the criminalistics laboratory facility in Ankeny. Any balance
21 in the fund on June 30 of any fiscal year shall not revert to
22 any other fund of the state but shall remain available for the
23 purposes described in this section.
24 DIVISION VII
25 DRUG ABUSE RESISTANCE EDUCATION FUND
26 Sec. 48. NEW SECTION. **80E.4 Drug abuse resistance education**
27 **fund.**
28 A drug abuse resistance education fund is created as a
29 separate fund in the state treasury under the control of the
30 governor's office of drug control policy for use by the drug
31 abuse resistance education program and other programs with a
32 similar purpose. The fund shall consist of appropriations made
33 to the fund and transfers of interest, moneys collected from
34 the crime services surcharge established in section 911.1,
35 and earnings. All moneys in the fund are appropriated to the

1 governor's office of drug control policy. Notwithstanding
2 section 8.33, any balance in the fund on June 30 of any fiscal
3 year shall not revert to any other fund of the state but shall
4 remain available for the purposes described in this section.
5 DIVISION VIII
6 EMERGENCY MEDICAL SERVICES FUND
7 Sec. 49. Section 135.25, Code 2020, is amended to read as
8 follows:
9 **135.25 Emergency medical services fund.**
10 An emergency medical services fund is created in the state
11 treasury under the control of the department. The fund
12 includes, but is not limited to, amounts appropriated by the
13 general assembly, amounts transferred pursuant to section
14 602.8108, subsection 4, and other moneys available from
15 federal or private sources which are to be used for purposes
16 of this section. Funds remaining in the fund at the end of
17 each fiscal year shall not revert to the general fund of the
18 state but shall remain in the emergency medical services fund,
19 notwithstanding section 8.33. The fund is established to
20 assist counties by matching, on a dollar-for-dollar basis,
21 moneys spent by a county for the acquisition of equipment for
22 the provision of emergency medical services and by providing
23 grants to counties for education and training in the delivery
24 of emergency medical services, as provided in this section and
25 section 422D.6. A county seeking matching funds under this
26 section shall apply to the emergency medical services division
27 of the department. The department shall adopt rules concerning
28 the application and awarding process for the matching funds and
29 the criteria for the allocation of moneys in the fund if the
30 moneys are insufficient to meet the emergency medical services
31 needs of the counties. Moneys allocated by the department to a
32 county for emergency medical services purposes may be used for
33 equipment or training and education as determined by the board
34 of supervisors pursuant to section 422D.6.
35 DIVISION IX

FUNDING FOR JUVENILE DETENTION HOME FUND

Sec. 50. Section 232.142, subsection 6, Code 2020, is amended to read as follows:

6. A juvenile detention home fund is created in the state treasury under the authority of the department. The fund shall consist of moneys deposited in the fund pursuant to ~~sections 321.218A and 321A.32A~~ section 602.8108. The moneys in the fund shall be used for the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in accordance with annual appropriations made by the general assembly from the fund for these purposes.

Sec. 51. Section 321.210B, subsection 7, Code 2020, is amended to read as follows:

7. *a.* A civil penalty assessed pursuant to section ~~321.218A, 321A.32A, or~~321J.17 shall be added to the amount owing under the installment agreement.

~~*b.* The clerk of the district court shall transmit to the department, from the first moneys collected, an amount equal to the amount of any civil penalty assessed pursuant to section 321.218A or 321A.32A and added to the installment agreement. The department shall transmit the money received from the clerk of the district court pursuant to this paragraph to the treasurer of state for deposit in the juvenile detention home fund created in section 232.142.~~

~~*c.*~~ *b.* The clerk of the district court shall transmit to the department, from the first moneys collected, an amount equal to the amount of any civil penalty assessed pursuant to section 321J.17 and added to the installment agreement. The department shall transmit the money received from the clerk of the district court pursuant to this paragraph to the treasurer of state who shall deposit one-half of the money in the separate fund established in section 915.94 and one-half of the money in the general fund of the state.

Sec. 52. Section 321M.9, subsection 1, Code 2020, is amended to read as follows:

1 1. *Fees to counties.* Notwithstanding any other provision
2 in the Code to the contrary, the county treasurer of a county
3 authorized to issue driver's licenses under this chapter shall
4 retain for deposit in the county general fund seven dollars of
5 fees received for each issuance or renewal of driver's licenses
6 and nonoperator's identification cards, but shall not retain
7 any moneys for the issuance of any persons with disabilities
8 identification devices. The five dollar processing fee charged
9 by a county treasurer for collection of a civil penalty under
10 section ~~321.218A, 321A.32A, or~~321J.17 shall be retained for
11 deposit in the county general fund. The county treasurer
12 shall remit the balance of fees and all civil penalties to the
13 department.
14 Sec. 53. Section 331.557A, subsection 4, Code 2020, is
15 amended to read as follows:
16 4. Accept payment of the civil ~~penalties~~ penalty assessed
17 pursuant to ~~sections 321.218A, 321A.32A, and~~ section321J.17
18 and remit the ~~penalties~~ penalty to the state department of
19 transportation.
20 Sec. 54. REPEAL. Sections 321.218A and 321A.32A, Code 2020,
21 are repealed.
22 DIVISION X
23 NONRESIDENT STATE PARK USER FEE PILOT PROGRAM
24 Sec. 55. Section 455A.14A, subsection 1, paragraph a, Code
25 2020, is amended to read as follows:
26 *a.* The department shall charge an entrance fee of five
27 dollars per vehicle ~~for a~~ if the vehicle is operated by a
28 nonresident of the state, which the nonresident operator shall
29 pay.
30 Sec. 56. Section 455A.14B, subsection 1, paragraph a, Code
31 2020, is amended to read as follows:
32 *a.* The department shall charge an entrance fee of five
33 dollars per vehicle ~~for a~~ if the vehicle is operated by a
34 nonresident of the state, which the nonresident operator shall
35 pay.

1 Sec. 57. Section 805.8C, Code 2020, is amended by adding the
2 following new subsection:
3 NEW SUBSECTION. 13. *State park user fee violations.* For
4 failure to pay the entrance fee by a nonresident operator of a
5 vehicle under section 455A.14A, subsection 1, paragraph *"a"*,
6 or under section 455A.14B, subsection 1, paragraph *"a"*, the
7 scheduled fine is fifteen dollars.
8 DIVISION XI
9 IOWA EMERGENCY FOOD PURCHASE PROGRAM FUND
10 Sec. 58. NEW SECTION. **190B.201 Iowa emergency food purchase**
11 **program fund.**
12 1. An Iowa emergency food purchase program fund is
13 established in the state treasury and shall be administered
14 by the department of agriculture and land stewardship. The
15 fund shall consist of moneys appropriated to the fund pursuant
16 to section 602.8108, subsection 13, and any other moneys
17 appropriated to the fund.
18 2. The purpose of the fund is to relieve situations of
19 emergency experienced by families or individuals who reside in
20 this state, including low-income families and individuals and
21 unemployed families and individuals, by distributing food to
22 those persons, and the department may contract with an Iowa
23 food bank association to manage the program.
24 3. The Iowa food bank association managing the program
25 shall distribute food under the program to emergency feeding
26 organizations in this state. The Iowa food bank association
27 shall report to the department as required by the department.
28 4. *"Iowa food bank association"* means a private nonprofit
29 entity that meets all of the following requirements:
30 *a.* The association is organized under chapter 504.
31 *b.* The association qualifies under section 501(c)(3) of the
32 Internal Revenue Code as an organization exempt from federal
33 income tax under section 501(a) of the Internal Revenue Code.
34 *c.* The association's members include food banks, or
35 affiliations of food banks, that together serve all counties

in this state.

d. The association's principal office is located in this state.

5. Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until two years following the last day of the fiscal year in which the funds were originally appropriated.

DIVISION XII

CIVIL CLAIMS FOR REIMBURSEMENT

Sec. 59. Section 331.659, subsection 1, paragraph a, unnumbered paragraph 1, Code 2020, is amended to read as follows:

~~A~~ Except for a civil claim for reimbursement under section 356.7, a sheriff or a deputy sheriff shall not:

Sec. 60. Section 356.7, subsection 2, paragraph i, Code 2020, is amended by striking the paragraph.

Sec. 61. Section 356.7, subsection 4, Code 2020, is amended by striking the subsection and inserting in lieu thereof the following:

4. A claim for reimbursement shall be filed in a separate civil action rather than as a claim in the underlying criminal case.

Sec. 62. Section 602.8102, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 105C. Apply payments made to a civil claim for reimbursement judgment under section 356.7 to court debt, as defined in section 602.8107, in the priority order set out in section 602.8107, subsection 2, if the debtor has delinquent court debt.

Sec. 63. Section 602.8105, subsection 1, Code 2020, is amended by adding the following new paragraph:

NEW PARAGRAPH. *k.* For a civil claim for reimbursement under section 356.7, zero dollars.

Sec. 64. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XIII

RESTITUTION

Sec. 65. Section 602.8107, subsection 1, paragraph a, Code 2020, is amended by striking the paragraph and inserting in lieu thereof the following:

a. *"Court debt"* means all restitution, fees, and forfeited bail.

Sec. 66. Section 602.8107, subsection 2, paragraphs b and c, Code 2020, are amended to read as follows:

b. (1) ~~If~~ Except as provided in subparagraph (2), if a case number is not identified, the clerk shall apply the payment to the balance owed in the criminal case with the oldest judgment against the person.

(2) The clerk shall apply payments to pecuniary damages in other criminal cases when no case number is identified in priority order from the oldest judgment to the most recent judgment before applying payments to any other court debt.

c. Payments received under this section shall be applied in the following priority order:

(1) Pecuniary damages as defined in section 910.1, subsection 3.

(2) Fines or penalties and criminal penalty and law enforcement initiative surcharges.

(3) Crime victim compensation program reimbursement.

(4) Court costs~~, including correctional fees assessed pursuant to sections 356.7 and 904.108~~, court-appointed attorney fees, or public defender expenses.

Sec. 67. Section 602.8107, subsection 4, paragraph a, Code 2020, is amended to read as follows:

a. This subsection does not apply to amounts collected for ~~victim~~ restitution involving pecuniary damages, the victim compensation fund, the criminal penalty surcharge, sex offender civil penalty, drug abuse resistance education surcharge,

the law enforcement initiative surcharge, county enforcement surcharge, or amounts collected as a result of procedures initiated under subsection 5 or under section 8A.504~~, or fees charged pursuant to section 356.7~~.

Sec. 68. Section 909.3, subsection 1, Code 2020, is amended to read as follows:

1. ~~All~~ Unless a plan of payment has been issued pursuant to chapter 910, fines imposed by the court shall be paid on the day the fine is imposed, and the person shall be instructed to pay such fines with the office of the clerk of the district court on the date of imposition.

Sec. 69. Section 910.1, Code 2020, is amended by adding the following new subsections:

NEW SUBSECTION. 01. *"Category "A" restitution"* means fines, penalties, and surcharges.

NEW SUBSECTION. 001. *"Category "B" restitution"* means the contribution of funds to a local anticrime organization which provided assistance to law enforcement in an offender's case, the payment of crime victim compensation program reimbursements, payment of restitution to public agencies pursuant to section 321J.2, subsection 13, paragraph *"b"*, court costs, court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, and payment to the medical assistance program pursuant to chapter 249A for expenditures paid on behalf of the victim resulting from the offender's criminal activities including investigative costs incurred by the Medicaid fraud control unit pursuant to section 249A.50.

NEW SUBSECTION. 1A. *"Financial affidavit"* means a signed affidavit under penalty of perjury that provides financial information about the offender to enable the sentencing court or the department of corrections to make a determination regarding the ability of the offender to pay category "B" restitution. *"Financial affidavit"* includes the offender's income, physical and mental health, age, education, employment,

1 inheritance, other debts, other amounts of restitution owed,
2 family circumstances, and any assets subject to execution,
3 including but not limited to cash, accounts at financial
4 institutions, stocks, bonds, and any other property which may
5 be applied to the satisfaction of judgments.
6 NEW SUBSECTION. 3A. *"Permanent restitution order"* means an
7 enforceable restitution order entered either at the time of
8 sentencing or at a later date determined by the court.
9 NEW SUBSECTION. 3B. *"Plan of payment"* or *"restitution plan*
10 *of payment"* means a plan for paying restitution wherein the
11 defendant is ordered to pay a certain amount of money each
12 month to repay outstanding restitution.
13 NEW SUBSECTION. 3C. *"Plan of restitution"* means a permanent
14 restitution order, restitution plan of payment, any other
15 court order relating to restitution, or any combination of the
16 foregoing.
17 Sec. 70. Section 910.1, subsection 4, Code 2020, is amended
18 by striking the subsection and inserting in lieu thereof the
19 following:
20 4. *"Restitution"* means pecuniary damages, category "A"
21 restitution, and category "B" restitution.
22 Sec. 71. Section 910.2, Code 2020, is amended by striking
23 the section and inserting in lieu thereof the following:
24 **910.2 Restitution or community service ordered by sentencing**
25 **court.**
26 1. *a.* In all criminal cases in which there is a plea of
27 guilty, verdict of guilty, or special verdict upon which a
28 judgment of conviction is rendered, the sentencing court shall
29 order that pecuniary damages be paid by each offender to the
30 victims of the offender's criminal activities, and that all
31 other restitution be paid to the clerk of court subject to the
32 following:
33 (1) Pecuniary damages and category "A" restitution shall be
34 ordered without regard to an offender's reasonable ability to
35 make payments.

1 (2) Category "B" restitution shall be ordered subject to
2 an offender's reasonable ability to make payments pursuant to
3 section 910.2A.
4 *b.* Pecuniary damages shall be paid to victims in full before
5 category "A" and category "B" restitution are paid.
6 *c.* In structuring a plan of restitution, the plan of payment
7 shall provide for payments in the following order of priority:
8 (1) Pecuniary damages to the victim.
9 (2) Category "A" restitution.
10 (3) Category "B" restitution in the following order:
11 (a) Crime victim compensation program reimbursement.
12 (b) Public agencies.
13 (c) Court costs.
14 (d) Court-appointed attorney fees ordered pursuant to
15 section 815.9, including the expense of a public defender.
16 (e) Contribution to a local anticrime organization.
17 (f) The medical assistance program.
18 2. *a.* When the offender is not reasonably able to pay
19 all or a part of category "B" restitution, the court may
20 require the offender in lieu of that portion of category "B"
21 restitution for which the offender is not reasonably able to
22 pay, to perform a needed public service for a governmental
23 agency or for a private nonprofit agency which provides a
24 service to the youth, elderly, or poor of the community.
25 *b.* When community service is ordered, the court shall set
26 a specific number of hours of service to be performed by the
27 offender. When calculating the amount of community service to
28 be performed in lieu of payment of court-appointed attorney
29 fees, the court shall determine the approximate equivalent
30 value of the expenses of the public defender. The judicial
31 district department of correctional services shall provide for
32 the assignment of the offender to a public agency or private
33 nonprofit agency to perform the required service.
34 Sec. 72. NEW SECTION. **910.2A Reasonable ability to pay —**
35 **category "B" restitution payments.**

1 1. An offender is presumed to have the reasonable ability
2 to make restitution payments for the full amount of category
3 "B" restitution.
4 2. If an offender requests that the court determine the
5 amount of category "B" restitution payments the offender is
6 reasonably able to make toward paying the full amount of such
7 restitution, the court shall hold a hearing and make such a
8 determination, subject to the following provisions:
9 *a.* To obtain relief at such a hearing, the offender must
10 affirmatively prove by a preponderance of the evidence that the
11 offender is unable to reasonably make payments toward the full
12 amount of category "B" restitution.
13 *b.* The offender must furnish the prosecuting attorney and
14 sentencing court with a completed financial affidavit. Failure
15 to furnish a completed financial affidavit waives any claim
16 regarding the offender's reasonable ability to pay.
17 *c.* The prosecuting attorney, the attorney for the defendant,
18 and the court shall be permitted to question the offender
19 regarding the offender's reasonable ability to pay.
20 *d.* Based on the evidence offered at the hearing, including
21 but not limited to the financial affidavit, the court shall
22 determine the amount of category "B" restitution the offender
23 is reasonably able to make payments toward, and order the
24 offender to make payments toward that amount.
25 3. *a.* If an offender does not make a request as provided in
26 subsection 2 at the time of sentencing or within thirty days
27 after the court issues a permanent restitution order, the court
28 shall order the offender to pay the full amount of category "B"
29 restitution.
30 *b.* An offender's failure to request a determination
31 pursuant to this section waives all future claims regarding
32 the offender's reasonable ability to pay, except as provided
33 by section 910.7.
34 4. If an offender requests that the court make a
35 determination pursuant to subsection 2, the offender's

1 financial affidavit shall be filed of record in all criminal
2 cases for which the offender owes restitution and the affidavit
3 shall be accessible by a prosecuting attorney or attorney for
4 the offender without court order or appearance.
5 5. A court that makes a determination under this section is
6 presumed to have properly exercised its discretion. A court is
7 not required to state its reasons for making a determination.
8 Sec. 73. NEW SECTION. **910.2B Conversion of existing**
9 **restitution orders.**
10 1. All of the following, if entered by a district court
11 prior to the effective date of this Act, shall be converted to
12 permanent restitution orders:
13 *a.* A temporary restitution order.
14 *b.* A supplemental restitution order.
15 *c.* A restitution order that does not contain a determination
16 of the defendant's reasonable ability to pay the restitution
17 ordered.
18 2. The only means by which a defendant may challenge the
19 conversion of a restitution order is through the filing of a
20 petition pursuant to section 910.7.
21 3. The provisions of this chapter, including but not limited
22 to the procedures in section 910.2A, shall apply to a challenge
23 to the conversion of an existing restitution order in the
24 district court and on appeal.
25 4. A challenge to the conversion of an existing restitution
26 order to a permanent restitution order shall be filed in the
27 district court no later than one year from the effective date
28 of this Act.
29 Sec. 74. Section 910.3, Code 2020, is amended to read as
30 follows:
31 **910.3 Determination of amount of restitution.**
32 1. The ~~county~~ prosecuting attorney shall prepare a
33 statement of pecuniary damages to victims of the defendant
34 and, if applicable, any award by the crime victim compensation
35 program and expenses incurred by public agencies pursuant to

section 321J.2, subsection 13, paragraph *"b"*, and shall provide the statement to the presentence investigator or submit the statement to the court at the time of sentencing.

2. The clerk of court shall prepare a statement of court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender~~,~~ and court costs ~~including correctional fees claimed by a sheriff or municipality pursuant to section 356.7~~, which shall be provided to the presentence investigator or submitted to the court at the time of sentencing.

3. If ~~these~~ the statements in subsection 1 or 2 are provided to the presentence investigator, they shall become a part of the presentence report.

4. If pecuniary damage amounts are not available or are incomplete at the time of sentencing, the ~~county~~ prosecuting attorney shall provide a statement of pecuniary damages incurred up to that time to the clerk of court.

5. The statement of pecuniary damages shall ordinarily be provided no later than thirty days after sentencing. However, a prosecuting attorney may file a statement of pecuniary damages within a reasonable time after the prosecuting attorney is notified by a victim of any pecuniary damages incurred.

6. If a defendant believes no person suffered pecuniary damages, the defendant shall so state.

7. If the defendant has any mental or physical impairment which would limit or prohibit the performance of a public service, the defendant shall so state. The court may order a mental or physical examination, or both, of the defendant to determine a proper course of action. ~~At the time of sentencing or at a later date to be determined by the court, the~~

8. The court shall ~~set out the~~ enter a permanent restitution order setting out the amount of restitution including the amount of public service to be performed as restitution and the persons to whom restitution must be paid. A permanent restitution order entered at the time of sentencing is part of

the final judgment of sentence as defined in section 814.6 and shall be considered in a properly perfected appeal.

9. If the full amount of restitution cannot be determined at the time of sentencing, the court shall issue a ~~temporary~~ permanent restitution order ~~determining a reasonable amount for~~ setting forth the amount of restitution identified up to that time. ~~At a later date as determined by the court, the court shall issue a permanent, supplemental order, setting the full amount of restitution. The court shall enter further supplemental orders, if necessary. These court orders shall be known as the plan of restitution.~~

10. A permanent restitution order may be superseded by subsequent orders if additional or different restitution is ordered. A permanent restitution order entered after the time of sentencing shall only be challenged pursuant to section 910.7.

Sec. 75. Section 910.4, subsection 1, paragraph b, subparagraphs (1) and (2), Code 2020, are amended to read as follows:

(1) If the court extends the period of probation, the period of probation shall not be for more than the maximum period of probation for the offense committed except for an extension of a period of probation as authorized in section 907.7. After discharge from probation or after the expiration of the period of probation, as extended if applicable, the failure of an offender to comply with the plan of restitution ~~ordered by the court~~ shall constitute contempt of court.

(2) If an offender's probation is revoked, the offender's assigned probation officer shall forward to the director of the Iowa department of corrections~~,~~ all known information concerning the offender's restitution ~~plan, restitution plan of payment, the restitution payment balance~~ obligations, including but not limited to the plan of restitution, and any other pertinent information concerning or affecting restitution by the offender.

Sec. 76. Section 910.4, subsections 2 and 3, Code 2020, are amended to read as follows:

2. When the offender is committed to a county jail, or to an alternate facility, the office or individual charged with supervision of the offender shall prepare a restitution plan of payment ~~taking into consideration the offender's income, physical and mental health, age, education, employment and family circumstances~~ and shall submit the plan to the court.

~~*a.* The office or individual charged with supervision of the offender shall review the plan of restitution ordered by the court, and shall submit a restitution plan of payment to the sentencing court.~~

~~*b.*~~ *a.* When community service is ordered by the court as restitution, the restitution plan of payment shall set out a plan to meet the requirement for the community service.

~~*c.* The court may approve or modify the plan of restitution and restitution plan of payment.~~

~~*d.*~~ *b.* When there is a significant change in the offender's income or circumstances, the office or individual which has supervision of the restitution plan of payment shall submit a modified ~~restitution~~ plan of payment to the court.

3. *a.* When there is a transfer of supervision from one office or individual charged with supervision of the offender to another, the sending office or individual shall forward to the receiving office or individual all necessary information regarding the balance owed against the original amount of restitution ordered and the balance of public service required.

b. ~~When~~ If there has been a significant change in the offender's circumstances ~~and~~ or income ~~have significantly changed~~, the receiving office or individual shall submit a new restitution plan of payment to the sentencing court ~~for approval or modification based on the considerations enumerated in this section~~.

Sec. 77. Section 910.4, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Notwithstanding any other provision in this chapter, the plan of payment shall be based on all information pertinent to the offender's reasonable ability to pay. The first monthly payment under such a plan shall be made within thirty days of the approval of the plan.

Sec. 78. Section 910.6, Code 2020, is amended to read as follows:

910.6 Payment plan — copy to victims.

An office or individual preparing a restitution plan of payment or modified ~~restitution~~ plan of payment~~, when it is approved by the court if approval is required under section 910.4, or when the plan is completed if court approval under section 910.4 is not required,~~ shall forward a copy to the clerk of court in the county in which the offender was sentenced. The clerk of court shall forward a copy of the restitution plan of payment or modified plan of payment to the victim or victims.

Sec. 79. Section 910.7, subsections 1 and 3, Code 2020, are amended to read as follows:

1. At any time during the period of probation, parole, or incarceration, the offender, the prosecuting attorney, or the office or individual who prepared the offender's restitution plan may petition the court on any matter related to the plan of restitution or restitution plan of payment and the court shall grant a hearing if on the face of the petition it appears that a hearing is warranted.

3. If a petition related to a plan of restitution has been filed, the offender, the ~~county~~ prosecuting attorney, the department of corrections if the offender is currently confined in a correctional institution, the office or individual who prepared the offender's restitution plan, and the victim shall receive notice prior to any hearing under this section.

Sec. 80. Section 910.7, Code 2020, is amended by adding the following new subsections:

NEW SUBSECTION. 4. An appellate court shall not review

or modify an offender's plan of restitution, restitution plan of payment, or any other issue related to an offender's restitution under this subsection, unless the offender has exhausted the offender's remedies under this section and obtained a ruling from the district court prior to the issue being raised in the appellate courts.

NEW SUBSECTION. 5. Appellate review of a district court ruling under this section shall be by writ of certiorari.

Sec. 81. Section 910.9, subsection 3, Code 2020, is amended to read as follows:

3. ~~Fines, penalties, and surcharges, crime victim compensation program reimbursement, public agency restitution, court costs including correctional fees claimed by a sheriff or municipality pursuant to section 356.7, and court-appointed attorney fees ordered pursuant to section 815.9, including the expenses for public defenders,~~ Category "A" restitution and category "B" restitution shall not be withheld by the clerk of court until all pecuniary damages to victims have been paid in full. Payments to victims shall be made by the clerk of court at least quarterly. Payments by a clerk of court shall be made no later than the last business day of the quarter, but may be made more often at the discretion of the clerk of court. The clerk of court receiving final payment from an offender shall notify all victims that full restitution has been made. Each office or individual charged with supervising an offender who is required to perform community service as full or partial restitution shall keep records to assure compliance with the portions of the plan of restitution and restitution plan of payment relating to community service and, when the offender has complied fully with the community service requirement, notify the sentencing court.

Sec. 82. FINANCIAL AFFIDAVIT — SUPREME COURT RULES. The supreme court shall adopt rules prescribing the form and content of the financial affidavit.

Sec. 83. EFFECTIVE DATE. This division of this Act, being

deemed of immediate importance, takes effect upon enactment.

DIVISION XIV

COLLECTION OF COURT DEBT

Sec. 84. Section 321.40, subsection 10, Code 2020, is amended to read as follows:

10. *a.* The clerk of the district court shall notify the county treasurer of any delinquent court debt, as defined in section 602.8107, which is being collected by the ~~private collection designee~~ department of revenue pursuant to section 602.8107, subsection 3, or the county attorney pursuant to section 602.8107, subsection 4. The county treasurer shall refuse to renew the vehicle registration of the applicant upon such notification from the clerk of the district court in regard to such applicant.

b. If the applicant enters into or renews an installment agreement as defined in section 602.8107, that is satisfactory to the ~~private collection designee~~ department of revenue, the county attorney, or the county attorney's designee, the ~~private collection designee~~ department of revenue, county attorney, or a county attorney's designee shall provide the county treasurer with written or electronic notice of the installment agreement within five days of entering into the installment agreement. The county treasurer shall temporarily lift the registration hold on an applicant for a period of ten days if the treasurer receives such notice in order to allow the applicant to register a vehicle for the year. If the applicant remains in compliance with the installment agreement entered into with the ~~private collection designee~~ department of revenue or the county attorney or the county attorney's designee, subsequent lifts of registration holds shall be granted without additional restrictions.

Sec. 85. Section 321.210A, subsection 2, Code 2020, is amended to read as follows:

2. If after suspension, the person enters into an installment agreement with the county attorney, the county

attorney's designee, or the ~~private collection designee~~ department of revenue in accordance with section 321.210B to pay the fine, penalty, court cost, or surcharge, the person's license shall be reinstated by the department upon receipt of a report of an executed installment agreement.

Sec. 86. Section 321.210B, subsections 1, 3, 8, 9, 11, and 13, Code 2020, are amended to read as follows:

1. *a.* If a person's fine, penalty, surcharge, or court cost is deemed delinquent as provided in section 602.8107, subsection 2, and the person's driver's license has been suspended pursuant to section 321.210A, or the clerk of the district court has reported the delinquency to the department as required by section 321.210A, the person may execute an installment agreement as defined in section 602.8107 with the county attorney, the county attorney's designee, or the ~~private collection designee under contract with the judicial branch pursuant to section 602.8107, subsection 5~~ department of revenue, to pay the delinquent amount and the civil penalty assessed in subsection 7 in installments. Prior to execution of the installment agreement, the person shall provide the county attorney, the county attorney's designee, or the ~~private collection designee~~ department of revenue with a financial statement in order for the parties to the agreement to determine the amount of the installment payments.

b. Cases involving court debt assigned to a county attorney, a county attorney's designee, or the ~~private collection designee~~ department of revenue shall remain so assigned.

3. The county attorney, the county attorney's designee, or the ~~private collection designee~~ department of revenue shall file or give notice of the installment agreement with the clerk of the district court in the county where the fine, penalty, surcharge, or court cost was imposed, within five days of execution of the agreement.

8. *a.* Except as provided in paragraph "*b*", upon determination by the county attorney, the county attorney's

1 designee, or the ~~private collection designee~~ department of
2 revenue that the person is in default, the county attorney, the
3 county attorney's designee, or the ~~private collection designee~~
4 department of revenue shall notify the clerk of the district
5 court.
6 *b.* (1) If the person is in default and the person
7 provides a new financial statement within fifteen days of
8 the determination made pursuant to paragraph "*a*" indicating
9 that the person's financial condition has changed to such an
10 extent that lower installment payments would have been required
11 prior to the execution of the initial installment agreement
12 under subsection 1, the county attorney, the county attorney's
13 designee, or the ~~private collection designee~~ department of
14 revenue shall not notify the clerk of the district court,
15 and the person shall not be considered in default. The new
16 installment payments shall be based upon the new financial
17 statement filed in compliance with this subparagraph.
18 (2) A person making new installment payments after
19 complying with the provisions of subparagraph (1) shall not be
20 considered executing a new installment agreement for purposes
21 of calculating the number of installment agreements a person
22 may execute in a person's lifetime under subsection 12.
23 9. The clerk of the district court, upon receipt of a
24 notification of a default from the county attorney, the
25 county attorney's designee, or the ~~private collection designee~~
26 department of revenue, shall report the default to the
27 department of transportation.
28 11. If a new fine, penalty, surcharge, or court cost
29 is imposed on a person after the person has executed an
30 installment agreement with the county attorney, the county
31 attorney's designee, or the ~~private collection designee~~
32 department of revenue, and the new fine, penalty, surcharge,
33 or court cost is deemed delinquent as provided in section
34 602.8107, subsection 2, and the person's driver's license
35 has been suspended pursuant to section 321.210A, the person

may enter into a second installment agreement with the county attorney, county attorney's designee, or the ~~private collection designee~~ department of revenue to pay the delinquent amount and the civil penalty, if assessed, in subsection 7 in installments.

13. Except for a civil penalty assessed and collected pursuant to subsection 7, any amount collected under the installment agreement by the county attorney or the county attorney's designee shall be distributed as provided in section 602.8107, subsection 4, and any amount collected by the ~~private collection designee~~ department of revenue shall be deposited with the clerk of the district court for distribution under section 602.8108.

Sec. 87. Section 602.8107, subsection 3, Code 2020, is amended to read as follows:

3. *Collection by ~~private collection designee under contract with the judicial branch~~ department of revenue.*

a. (1) Thirty days after court debt has been assessed and full payment has not been received, or if an installment payment is not received within thirty days after the date it is due, the judicial branch shall assign a case to the ~~private collection designee under contract with the judicial branch pursuant to subsection 5 to collect debts owed to the clerk of the district court~~ department of revenue, unless the case has been assigned to the county attorney under paragraph *"c"*.

(2) The department of revenue may impose a fee established by rule to reflect the cost of processing which shall be added to the debt owed to the clerk of the district court.

b. In addition, court debt which is being collected under an installment agreement pursuant to section 321.210B which is in default that remains delinquent shall remain assigned to the ~~private collection designee~~ department of revenue if the installment agreement was executed with the ~~private collection designee~~ department of revenue; or to the county attorney or county attorney's designee if the installment agreement

1 was executed with the county attorney or county attorney's
2 designee.
3 *c.* Thirty days after court debt has been assessed and full
4 payment has not been received, or if an installment payment is
5 not received within thirty days after the date it is due, and
6 if a county attorney has filed with the clerk of the district
7 court a notice of full commitment to collect delinquent court
8 debt pursuant to subsection 4, the case shall be assigned
9 to the county attorney as provided in subsection 4. The
10 judicial branch shall assign cases with delinquent court debt
11 to a county attorney in the same format and with the same
12 frequency as cases with delinquent court debt are assigned to
13 the ~~private collection designee~~ department of revenue under
14 paragraph *"a"*, and a county attorney shall not be required
15 to file an individual notice of full commitment to collect
16 delinquent court debt for each assigned case. If the county
17 attorney or the county attorney's designee, while collecting
18 delinquent court debt pursuant to subsection 4, determines that
19 a person owes additional court debt for which a case has not
20 been assigned by the judicial branch, the county attorney or
21 the county attorney's designee shall notify the clerk of the
22 district court of the appropriate case numbers and the judicial
23 branch shall assign these cases to the county attorney for
24 collection if the additional court debt is delinquent.
25 Sec. 88. Section 602.8107, subsection 4, unnumbered
26 paragraph 1, Code 2020, is amended to read as follows:
27 The county attorney or the county attorney's designee may
28 collect court debt after the court debt is deemed delinquent
29 pursuant to subsection 2. In order to receive a percentage of
30 the amounts collected pursuant to this subsection, the county
31 attorney must first file with the clerk of the district court
32 on or before July 1 of the first year the county attorney
33 collects court debt under this subsection, a notice of full
34 commitment to collect delinquent court debt, and a memorandum
35 of understanding with the state court administrator for all

cases assigned to the county for collection by the court. The notice shall contain a list of procedures which will be initiated by the county attorney. For a county attorney filing a notice of full commitment for the first time, the cases involving delinquent court debt previously assigned to the ~~private collection designee~~ department of revenue shall remain assigned to the ~~private collection designee~~ department of revenue. Cases involving delinquent court debt assigned to the county attorney after the filing of a notice of full commitment by the county attorney shall remain assigned to the county attorney. A county attorney who chooses to discontinue collection of delinquent court debt shall file with the clerk of the district court on or before May 15 a notice of the intent to cease collection of delinquent court debt at the start of the next fiscal year. If a county attorney ceases collection efforts, or if the state court administrator deems that a county attorney collections program has become ineligible to collect as specified in paragraph *"f"*, all cases involving delinquent court debt assigned to the county attorney shall be transferred on July 1 to the ~~private collection designee~~ department of revenue for collection, except that debt associated with any existing installment agreement shall remain assigned to the county for collection unless an installment payment becomes delinquent, after which the delinquent debt associated with the installment agreement shall be transferred promptly to the ~~private collection designee~~ department of revenue for collection.

Sec. 89. Section 602.8107, subsection 4, paragraph f, Code 2020, is amended to read as follows:

f. Beginning July 1, 2017, within two years of beginning to collect delinquent court debt, a county attorney shall be required to collect one hundred percent of the applicable threshold amount specified in paragraph *"c"*. If a county attorney collects more than eighty percent but less than one hundred percent of the applicable threshold amount, the state

court administrator shall provide notice to the county attorney specifying that in order to remain eligible to participate in the county attorney collection program, the county attorney must collect at least one hundred twenty-five percent of the applicable threshold amount by the end of the next fiscal year. If a county attorney who has been given such a notice fails to collect one hundred twenty-five percent of the applicable threshold amount, the state court administrator shall provide notice to the county attorney that the county is ineligible to participate in the county attorney collection program for the next two fiscal years and all existing and future court cases with delinquent court debt shall be assigned to the ~~private collection designee~~ department of revenue. The provisions of this paragraph apply to all counties, including those counties where delinquent court debt is collected pursuant to a chapter 28E agreement with one or more counties.

Sec. 90. Section 602.8107, subsection 5, Code 2020, is amended by striking the subsection.

Sec. 91. Section 602.8107, subsection 7, Code 2020, is amended to read as follows:

7. *Reports.* The judicial branch shall prepare a report aging the court debt. ~~The report shall include the amounts collected by the private collection designee, the distribution of these amounts, and the amount of the fee collected by the private collection designee.~~ In addition, the report shall include the amounts written off pursuant to subsection 6. The judicial branch shall provide the report to the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system, the legislative services agency, and the department of management by December 15 of each year.

Sec. 92. EFFECTIVE DATE. This division of this Act takes effect January 1, 2021.

DIVISION XV

EFFECTIVE DATE

Sec. 93. EFFECTIVE DATE. Unless otherwise provided, this

Act takes effect July 15, 2020.>

2. Title page, by striking lines 1 through 3 and inserting <An Act relating to the criminal and juvenile justice system by modifying criminal penalties, surcharges, fines, fees, and costs, creating and modifying funds, making appropriations and allocating revenues, modifying installment agreements, modifying civil claims for reimbursement, restitution, and collection of court debt, and providing effective date provisions.>

S-5155 FILED JUNE 13, 2020
CONCURRED

SENATE FILE 2310

S-5154

1 Amend the House 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) If a school district or accredited nonpublic school
18 meets the requirements of subparagraph (1), subparagraph
19 division (a) or (b), the school district or accredited
20 nonpublic school may exceed the two-subject limitation
21 specified in subparagraph (1), unnumbered paragraph 1, for the
22 purpose of providing world language, personal finance literacy,
23 and computer science coursework online in accordance with
24 paragraph *"c"*.>
25 8. Page 3, line 8, by striking <5> and inserting <5,
26 paragraphs *"a"* through *"e"* and *"g"* through *"j"*,>
27 9. Page 3, line 12, by striking <the requirements of
28 subsection 5> and inserting <such requirements>
29 10. Page 3, line 15, by striking <5> and inserting <5,
30 paragraphs *"a"* through *"e"* and *"g"* through *"j"*,>
31 11. Page 3, line 20, by striking <(1) or (2)> and inserting
32 <(1), (2), or (3)>
33 12. Page 3, line 27, by striking <either> and inserting
34 <any>
35 13. Page 4, after line 6 by inserting:

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

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

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

15. Page 5, after line 25 by inserting:

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

NEW SUBSECTION. 3. *a.* For the school year beginning July 1, 2020, and ending June 30, 2021, any instruction provided in accordance with a return-to-learn plan submitted by a school district or accredited nonpublic school to the department of education in response to a proclamation of a public health disaster emergency, issued by the governor pursuant to section 29C.6 and related to COVID-19, shall be deemed to meet the requirements of subsection 1, regardless of the nature,

1 location, or medium of instruction if the return-to-learn
2 plan contains the minimum number of days or hours as required
3 by subsection 1. Any return-to-learn plan submitted by a
4 school district or accredited nonpublic school must contain
5 provisions for in-person instruction and provide that in-person
6 instruction is the presumed method of instruction.
7 *b.* This subsection is repealed on July 1, 2021.>
8 16. Page 5, after line 26 by inserting:
9 <DIVISION ___
10 TEMPORARY FLEXIBILITY FOR USE OF CERTAIN MONEYS BY SCHOOL
11 DISTRICTS TO PROVIDE ADDITIONAL INSTRUCTIONAL TIME
12 Sec. ___. PROFESSIONAL DEVELOPMENT MONEYS AND HOURS
13 REQUIREMENTS FOR ADDITIONAL INSTRUCTIONAL TIME FOR THE
14 2020-2021 SCHOOL YEAR. Notwithstanding section 257.10,
15 subsection 10, and the professional development requirements
16 of chapter 284, for the school year beginning July 1, 2020,
17 and ending June 30, 2021, the moneys calculated and paid to
18 the school district for professional development pursuant to
19 section 257.10, subsection 10, or section 257.37A, subsection
20 2, to provide thirty-six hours of professional development
21 opportunities held outside of the minimum school day, may
22 instead be used by a school district to provide instructional
23 time to the school calendar in addition to the amount of
24 instructional time required under section 279.10, subsection 1,
25 and the thirty-six-hour professional development requirement
26 of chapter 284 shall be reduced by such number of hours of
27 additional instructional time.
28 DIVISION ___
29 TEMPORARY FLEXIBILITY FOR CERTAIN EDUCATIONAL INSTRUCTIONAL AND
30 POLICY REQUIREMENTS
31 Sec. ___. OPEN ENROLLMENT — EXTENSION OF NOTIFICATION
32 DEADLINE FOR THE 2020-2021 SCHOOL YEAR. Notwithstanding
33 section 282.18, subsection 2, paragraph "a", for the school
34 year commencing July 1, 2020, a parent or guardian shall have
35 until July 15, 2020, to notify to the district of residence and

1 the receiving district, on forms prescribed by the department
2 of education, that the parent or guardian intends to enroll
3 the parent's or guardian's child in an online public school
4 in another school district, if the child, another resident of
5 the child's residence, or a regular caretaker of the child
6 has a significant health condition that increases the risk
7 of COVID-19. The notification shall include the name of the
8 person with the health condition, specify the person's health
9 condition, include written verification of the health condition
10 from the person's physician or licensed health care provider
11 and, for persons other than the child, whether the person with
12 the health condition is a resident of the child's residence
13 or the child's regular caretaker. Section 282.18, subsection
14 3, shall not apply to a notification submitted in accordance
15 with this section. Notwithstanding section 282.18, subsection
16 2, paragraph "b", the superintendent of the receiving school
17 district is authorized to approve a notification received
18 under this section. Within fourteen days of receipt of such
19 notification, the superintendent shall notify the parent or
20 guardian and the school district of residence that the request
21 has been approved or denied. If the notification has been
22 denied or if further review is required, the superintendent
23 shall provide the parent or guardian with an explanation of
24 the approval process and expected timeline for the review. A
25 decision to deny a request submitted under this section is
26 subject to appeal under section 290.1. The state board shall
27 exercise broad discretion to achieve just and equitable results
28 that are in the best interest of the affected child. This
29 section is not intended to extend the provisions of section
30 282.18, subsection 2, paragraph "a", for enrollment in a
31 physical school district.
32 Sec. ___. SCHOOL DISTRICT DUTIES RELATING TO COMPETENT
33 PRIVATE INSTRUCTION FOR THE 2020-2021 SCHOOL YEAR. For
34 the school year beginning July 1, 2020, and ending June 30,
35 2021, upon request of a parent, guardian, or legal or actual

1 custodian, each school district shall provide to children
2 receiving competent private instruction available texts or
3 supplementary materials on the same basis as they are provided
4 to regularly enrolled students when a child is under dual
5 enrollment or in a home school assistance program. This
6 section shall only apply to children who are enrolled in their
7 school district's home school assistance program by the child's
8 parent, guardian, or legal or actual custodian.
9 Sec. ___. SCHOOL DISTRICT CLOSURES DURING THE 2020-2021
10 SCHOOL YEAR. For the school year beginning July 1, 2020, and
11 ending June 30, 2021, if the governor proclaims a public health
12 disaster pursuant to section 29C.6, the board of directors of a
13 school district may authorize closure of the school district
14 or any school district attendance center due to an outbreak
15 of COVID-19 in the school district or any school district
16 attendance center. School districts are encouraged to follow
17 guidelines issued by the centers for disease control and
18 prevention of the United States department of health and human
19 services and the Iowa department of public health, and may
20 consult with the local board of health when determining social
21 distancing measures or authorizing a school closure.
22 Sec. ___. INSTRUCTIONAL TIME PROVISIONS FOR SCHOOL
23 DISTRICTS AND ACCREDITED NONPUBLIC SCHOOLS FOR THE 2020-2021
24 SCHOOL YEAR.
25 1. Notwithstanding any other provision of law to the
26 contrary, the instructional time requirements of section
27 279.10, subsection 1, and the minimum school day requirements
28 of section 256.7, subsection 19, shall not be waived any
29 time during the school year beginning July 1, 2020, and
30 ending June 30, 2021, for school closure due to the COVID-19
31 pandemic unless the school district or the authorities in
32 charge of the accredited nonpublic school, as appropriate,
33 provide compulsory remote learning, including online learning,
34 electronic learning, distance learning, or virtual learning.
35 Unless explicitly authorized in a proclamation of a public

health disaster emergency issued by the governor pursuant to section 29C.6 and related to COVID-19, a brick-and-mortar school district or accredited nonpublic school shall not take action to provide instruction primarily through remote-learning opportunities.

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

Sec. ___. TRUANCY REQUIREMENTS FOR THE 2020-2021 SCHOOL YEAR. In addition to the provisions of chapter 299, a child who is enrolled in a school district or accredited nonpublic school but who does not participate in compulsory remote-learning opportunities, including online learning, electronic learning, distance learning, or virtual learning, offered by the school district or accredited nonpublic school of enrollment during a period of school closure implemented any time during the school year beginning July 1, 2020, and ending June 30, 2021, due to the COVID-19 pandemic shall be considered truant. This section is not applicable to a child who was receiving competent private instruction or independent private instruction in accordance with the requirements of chapter 299A prior to July 1, 2019. Any child who was enrolled in a public school or accredited nonpublic school prior to July 1, 2019, may be subject to the provisions of chapter 299 if the child's parent, guardian, or legal custodian did not, for the school year beginning July 1, 2020, complete and send the

report required under section 299.4 to the school district of residence of the child in a timely manner.

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

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

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

2. STATEWIDE ASSESSMENTS. The provisions of section 256.7, subsection 21, paragraph "b", relating to the administration of statewide summative assessment of student progress, and the assessments administered in accordance with sections 279.60 and 279.68, shall not be waived, and such assessments shall be administered to students as required by those sections.

3. CPR CERTIFICATION — EXCEPTION FOR GRADUATION. If a

1 school district or accredited nonpublic school closes on the
2 advice of a local board of health, the department of public
3 health, or because the governor proclaims a public health
4 disaster pursuant to section 29C.6, a student who meets the
5 graduation requirements of section 256.7, subsection 26,
6 paragraph "a", the requirements of section 280.9A, and the
7 school district's or accredited nonpublic school's graduation
8 requirements may graduate without meeting the cardiopulmonary
9 resuscitation certification requirements of section 256.11,
10 section 6, paragraph "c".
11 4. NOTIFICATION OF SIGNIFICANT HEALTH CONDITION —
12 COMPULSORY REMOTE LEARNING. If a parent or guardian of a
13 student enrolled in a school district or accredited nonpublic
14 school notifies the school district or accredited nonpublic
15 school in writing that the student, another resident of the
16 student's residence, or a regular caretaker of the student
17 has a significant health condition that increases the risk of
18 COVID-19, the school district or accredited nonpublic school
19 shall make reasonable accommodations for the student, on a
20 case-by-case basis, to attend school through remote learning.
21 The provision of special education and accommodations for
22 students who have individualized education programs or
23 section 504 plans in compliance with the requirements of
24 section 504 of the Rehabilitation Act, 29 U.S.C. §794, and
25 with Tit. II of the Americans with Disabilities Act, 42
26 U.S.C. §12131—12165, will be determined by each respective
27 individualized education program team or section 504 team.
28 The notification shall include the name of the person with
29 the health condition, specify the person's health condition,
30 include written verification of the health condition from the
31 person's physician or licensed health care provider and, for
32 persons other than the student, whether the person with the
33 health condition is a resident of the student's residence
34 or the student's regular caretaker. A school district or
35 an accredited nonpublic school may collaborate with an area

education agency or another school district or accredited nonpublic school to provide remote learning opportunities to a student who meets the requirements of this section.

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

DIVISION ___

SCHOOL DISTRICT IMPACT REPORT

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

spring or summer programs canceled or otherwise impacted. The department shall prepare and, by November 15, 2020, submit to the general assembly, a report that details for each school district the total net impact of the COVID-19 pandemic on each school district´s budget.

DIVISION ___

EFFECTIVE DATES AND APPLICABILITY

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

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

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

18. By renumbering as necessary.>

By AMY SINCLAIR

S-5154 FILED JUNE 13, 2020
ADOPTED

SENATE FILE 2417

S-5156

1 Amend Senate File 2417 as follows:
2 1. By striking everything after the enacting clause and
3 inserting:
4 <DIVISION I
5 REBUILD IOWA INFRASTRUCTURE FUND
6 Section 1. REBUILD IOWA INFRASTRUCTURE FUND —
7 APPROPRIATIONS. There is appropriated from the rebuild Iowa
8 infrastructure fund to the following departments and agencies
9 for the following fiscal years, the following amounts, or so
10 much thereof as is necessary, to be used for the purposes
11 designated:
12 1. DEPARTMENT OF ADMINISTRATIVE SERVICES
13 FY 2020-2021:
14 For security cameras on the state capitol complex,
15 notwithstanding section 8.57, subsection 5, paragraph "c":
16 ..... $ 250,000
17 2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
18 a. (1) For deposit in the water quality initiative fund
19 created in section 466B.45 for purposes of supporting the
20 water quality initiative administered by the division of soil
21 conservation and water quality as provided in section 466B.42,
22 including salaries, support, maintenance, and miscellaneous
23 purposes, notwithstanding section 8.57, subsection 5, paragraph
24 "c":
25 FY 2020-2021:
26 ..... $ 5,200,000
27 (2) (a) The moneys appropriated in this lettered
28 paragraph shall be used to support demonstration projects in
29 subwatersheds as designated by the department that are part
30 of high-priority watersheds identified by the water resources
31 coordinating council.
32 (b) The moneys appropriated in this lettered paragraph
33 shall be used to support demonstration projects in watersheds
34 generally, including regional watersheds, as designated by the
35 division and high-priority watersheds identified by the water

1 resources coordinating council.
2 (3) In supporting projects in watersheds and subwatersheds
3 as provided in subparagraph (2), subparagraph divisions (a) and
4 (b), all of the following shall apply:
5 (a) The demonstration projects shall utilize water quality
6 practices as described in the latest revision of the document
7 entitled "Iowa Nutrient Reduction Strategy" initially presented
8 in November 2012 by the department of agriculture and land
9 stewardship, the department of natural resources, and Iowa
10 state university of science and technology.
11 (b) The division shall implement demonstration projects
12 as provided in subparagraph division (a) by providing
13 for participation by persons who hold a legal interest in
14 agricultural land used in farming. To every extent practical,
15 the division shall provide for collaborative participation by
16 such persons who hold a legal interest in agricultural land
17 located within the same subwatershed.
18 (c) The division shall implement demonstration projects on
19 a cost-share basis as determined by the division. Except for
20 edge-of-field practices, the state's share of the amount shall
21 not exceed 50 percent of the estimated cost of establishing the
22 practice as determined by the division or 50 percent of the
23 actual cost of establishing the practice, whichever is less.
24 (d) The demonstration projects shall be used to educate
25 other persons about the feasibility and value of establishing
26 similar water quality practices. The division shall promote
27 field day events for purposes of allowing interested persons to
28 establish water quality practices on their agricultural land.
29 (e) The division shall conduct water quality evaluations
30 within supported subwatersheds. Within a reasonable period
31 after accumulating information from such evaluations, the
32 division shall create an aggregated database of water quality
33 practices. Any information identifying a person holding a
34 legal interest in agricultural land or specific agricultural
35 land shall be a confidential record.

(4) The moneys appropriated in this lettered paragraph shall be used to support education and outreach in a manner that encourages persons who hold a legal interest in agricultural land used for farming to implement water quality practices, including the establishment of such practices in watersheds generally, and not limited to subwatersheds or high-priority watersheds.

(5) The moneys appropriated in this lettered paragraph may be used to contract with persons to coordinate the implementation of efforts provided in this paragraph.

(6) The moneys appropriated in this lettered paragraph may be used by the department to support urban soil and water conservation efforts, which may include but are not limited to management practices related to bioretention, landscaping, the use of permeable or pervious pavement, and soil quality restoration. The moneys shall be allocated on a cost-share basis as provided in chapter 161A.

(7) Notwithstanding any other provision of law to the contrary, the department may use moneys appropriated in this lettered paragraph to carry out the provisions of this paragraph on a cost-share basis in combination with other moneys available to the department from a state or federal source.

(8) Not more than 10 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of the water quality initiative administered by the soil conservation division.

b. For deposit in the renewable fuels infrastructure fund created in section 159A.16 for renewable fuel infrastructure programs:

FY 2020-2021:

..... $ 3,000,000

3. DEPARTMENT OF CULTURAL AFFAIRS

a. For deposit in the Iowa great places program fund created in section 303.3D for Iowa great places program projects that

meet the definition of "vertical infrastructure" in section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 1,000,000

b. For grants to nonprofit organizations committed to strengthening communities through youth development, healthy living, and social responsibility for costs associated with the renovation and maintenance of facility infrastructure at facilities located in cities with a population of less than 28,000 as determined by the 2010 federal decennial census:

FY 2020-2021:

..... $ 250,000

4. ECONOMIC DEVELOPMENT AUTHORITY

a. For deposit in the community attraction and tourism fund created in section 15F.204:

FY 2020-2021:

..... $ 5,000,000

b. For equal distribution to regional sports authority districts certified by the department pursuant to section 15E.321, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 500,000

5. DEPARTMENT OF HUMAN SERVICES

a. For critical infrastructure at state institutions, including the state resource centers, the mental health institutes, and the state training school at Eldora:

FY 2020-2021:

..... $ 596,500

b. For the renovation and construction of certain nursing facilities, consistent with the provisions of chapter 249K:

FY 2020-2021:

..... $ 500,000

6. IOWA LAW ENFORCEMENT ACADEMY

a. For costs associated with furniture, fixtures, and

equipment at the academy, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 280,000

b. For resurfacing parking lots at the academy:

FY 2020-2021:

..... $ 550,000

7. DEPARTMENT OF NATURAL RESOURCES

a. For implementation of lake projects that have established watershed improvement initiatives and community support in accordance with the department's annual lake restoration plan and report, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 8,000,000

b. For state park infrastructure improvements:

FY 2020-2021:

..... $ 1,000,000

c. For the administration of a water trails and low head dam public hazard statewide plan, including salaries, support, maintenance, and miscellaneous purposes, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 250,000

8. DEPARTMENT OF PUBLIC DEFENSE

a. For major maintenance projects at national guard armories and facilities:

FY 2020-2021:

..... $ 1,000,000

b. For improvement projects for Iowa national guard installations and readiness centers to support operations and training requirements:

FY 2020-2021:

..... $ 1,000,000

c. For construction improvement projects at the Camp Dodge

1 facility:
2 FY 2020-2021:
3 ..... $ 500,000
4 d. The department of public defense shall report to the
5 general assembly by December 15, 2020, regarding the projects
6 the department has funded or intends to fund from moneys
7 appropriated to the department pursuant to this subsection for
8 the fiscal year beginning July 1, 2020.
9 9. DEPARTMENT OF PUBLIC SAFETY
10 a. For payments and other costs due under a financing
11 agreement entered into by the treasurer of state for building
12 the statewide interoperable communications system pursuant to
13 section 29C.23, subsection 2, notwithstanding section 8.57,
14 subsection 5, paragraph "c":
15 FY 2020-2021:
16 ..... $ 3,960,945
17 b. For the purchase of ballistic vests, notwithstanding
18 section 8.57, subsection 5, paragraph "c":
19 FY 2020-2021:
20 ..... $ 467,500
21 c. For the purchase of bomb suits, notwithstanding section
22 8.57, subsection 5, paragraph "c":
23 FY 2020-2021:
24 ..... $ 384,000
25 d. For the purchase of an airplane, notwithstanding section
26 8.57, subsection 5, paragraph "c":
27 FY 2020-2021:
28 ..... $ 1,713,170
29 10. BOARD OF REGENTS
30 a. For allocation by the state board of regents to the
31 state university of Iowa, Iowa state university of science
32 and technology, and the university of northern Iowa to
33 reimburse the institutions for deficiencies in the operating
34 funds resulting from the pledging of tuition, student fees
35 and charges, and institutional income to finance the cost of

1 providing academic and administrative buildings and facilities
2 and utility services at the institutions:
3 FY 2020-2021:
4 ..... $ 28,268,466
5 b. For replacement of an antenna and transmission system for
6 Iowa public radio:
7 FY 2020-2021:
8 ..... $ 875,000
9 11. DEPARTMENT OF TRANSPORTATION
10 a. For deposit in the public transit infrastructure grant
11 fund created in section 324A.6A, for projects that meet
12 the definition of vertical infrastructure in section 8.57,
13 subsection 5, paragraph "c":
14 FY 2020-2021:
15 ..... $ 500,000
16 b. For acquiring, constructing, and improving recreational
17 trails within the state:
18 FY 2020-2021:
19 ..... $ 1,000,000
20 c. For deposit in the railroad revolving loan and grant
21 fund created in section 327H.20A, notwithstanding section 8.57,
22 subsection 5, paragraph "c":
23 FY 2020-2021:
24 ..... $ 500,000
25 d. For vertical infrastructure improvements at the
26 commercial service airports within the state:
27 FY 2020-2021:
28 ..... $ 900,000
29 e. For vertical infrastructure improvements at general
30 aviation airports within the state:
31 FY 2020-2021:
32 ..... $ 450,000
33 12. TREASURER OF STATE
34 For distribution in accordance with chapter 174 to qualified
35 fairs that belong to the association of Iowa fairs for county

fair vertical infrastructure improvements:
FY 2020-2021:
..... $ 1,060,000
13. DEPARTMENT OF VETERANS AFFAIRS
For resurfacing the roadway at the Iowa veteran's cemetery:
FY 2020-2021:
..... $ 50,000
14. JUDICIAL BRANCH
For major maintenance to the Iowa judicial building:
FY 2020-2021:
..... $ 400,000
15. LEGISLATIVE BRANCH
For repair of the gutters of the Iowa state capitol:
FY 2020-2021:
..... $ 2,500,000
Sec. 2. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys from an appropriation made in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends two years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

DIVISION II

TECHNOLOGY REINVESTMENT FUND

Sec. 3. TECHNOLOGY REINVESTMENT FUND. There is appropriated from the technology reinvestment fund created in section 8.57C to the following departments and agencies for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:
1. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD
For upgrading the web reporting system:

1 ..... $ 500,000
2 2. DEPARTMENT OF CORRECTIONS
3 For institutions building automation systems:
4 ..... $ 500,000
5 3. DEPARTMENT OF EDUCATION
6 a. For the continued development and implementation of an
7 educational data warehouse to be utilized by teachers, parents,
8 school district administrators, area education agency staff,
9 department of education staff, and policymakers:
10 ..... $ 600,000
11 The department may allocate a portion of the moneys
12 appropriated in this lettered paragraph for an e-transcript
13 data system capable of tracking students throughout their
14 education via interconnectivity with multiple schools.
15 b. For maintenance and lease costs associated with
16 connections for part III of the Iowa communications network:
17 ..... $ 2,727,000
18 c. To the public broadcasting division for the replacement
19 of equipment:
20 ..... $ 1,000,000
21 4. DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
22 For the implementation of a statewide mass notification and
23 emergency messaging system:
24 ..... $ 400,000
25 5. DEPARTMENT OF HUMAN RIGHTS
26 a. For the cost of equipment and computer software for the
27 continued development and implementation of Iowa's criminal
28 justice information system:
29 ..... $ 1,400,000
30 b. For the costs associated with the justice enterprise data
31 warehouse:
32 ..... $ 157,980
33 6. IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION
34 For firewall and distributed denial-of-service attack
35 protection for the Iowa communications network:

1 ..... $ 2,071,794
2 7. IOWA LAW ENFORCEMENT ACADEMY
3 For information technology for classrooms and conference
4 rooms at the academy building:
5 ..... $ 400,000
6 8. DEPARTMENT OF HUMAN SERVICES
7 For technology costs associated with the state poison
8 control center:
9 ..... $ 34,000
10 9. DEPARTMENT OF MANAGEMENT
11 a. For the continued development and implementation of
12 a searchable database that can be placed on the internet for
13 budget and financial information:
14 ..... $ 45,000
15 b. For the continued development and implementation of the
16 comprehensive electronic grant management system:
17 ..... $ 70,000
18 c. For the upgrade of the local government budget and
19 property tax system:
20 ..... $ 624,000
21 10. DEPARTMENT OF PUBLIC HEALTH
22 For replacement of computer infrastructure and software at
23 the state medical examiner´s office:
24 ..... $ 395,000
25 11. DEPARTMENT OF REVENUE
26 For tax system modernization:
27 ..... $ 3,000,000
28 12. DEPARTMENT OF VETERANS AFFAIRS
29 For security cameras at the Iowa veteran´s cemetery:
30 ..... $ 21,000
31 13. JUDICIAL BRANCH
32 For voice-over internet protocol phone upgrades at county
33 courthouses:
34 ..... $ 163,000
35 Sec. 4. REVERSION. For purposes of section 8.33, unless

specifically provided otherwise, unencumbered or unobligated moneys from an appropriation made in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends two years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

DIVISION III

CHANGES TO PRIOR APPROPRIATIONS

Sec. 5. 2015 Iowa Acts, chapter 139, section 1, subsection 10, paragraph b, as amended by 2017 Iowa Acts, chapter 173, section 11, 2018 Iowa Acts, chapter 1162, section 9, and 2019 Iowa Acts, chapter 137, section 6 is amended to read as follows:

b. For construction of a student innovation center at Iowa state university of science and technology, to include reimbursement of infrastructure costs incurred by the university for construction of the facility in ~~the~~ prior fiscal ~~year~~ years:

FY 2016-2017:

..... $ 1,000,000

FY 2017-2018:

..... $ 6,000,000

FY 2018-2019:

..... $ 6,000,000

FY 2019-2020:

..... $ 7,000,000

FY 2020-2021:

..... $ ~~10,000,000~~ 6,625,000

FY 2021-2022:

..... $ ~~10,000,000~~ 13,375,000

Sec. 6. 2016 Iowa Acts, chapter 1133, section 7, is amended to read as follows:

SEC. 7. REVERSION.

1. ~~For~~ Except as provided in subsection 2, for purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys made from an appropriation in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends three years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

2. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys appropriated in section 6, subsection 2, of this division of this 2016 Act, shall not revert but shall remain available for the purpose designated until the close of the fiscal year that begins July 1, 2020.

Sec. 7. 2018 Iowa Acts, chapter 1162, section 1, is amended to read as follows:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

For major maintenance projects:

FY 2018-2019:

..... $ 24,500,000

Of the moneys appropriated in this subsection for the fiscal year beginning July 1, 2018, the department shall give priority to projects for repair of the roof of the state historical building and is authorized to expend such amount not to exceed $3,300,000 for the costs associated with projects for repair of the roof of the state historical building.

FY 2019-2020:

..... $ 20,000,000

Of the moneys appropriated in this subsection for the fiscal

year beginning July 1, 2019, the department shall give priority to projects for repair of the roof of the state historical building and is authorized to expend such amount not to exceed $3,300,000 for the costs associated with projects for repair of the roof of the state historical building.

FY 2020-2021:

..... $ ~~20,000,000~~
12,000,000

FY 2021-2022:

..... $ ~~20,000,000~~
25,000,000

FY 2022-2023:

..... $ ~~20,000,000~~
25,000,000

Sec. 8. 2018 Iowa Acts, chapter 1162, section 1, subsection 10, paragraph b, is amended to read as follows:

b. For construction of a new veterinary diagnostic laboratory at Iowa state university of science and technology, to include reimbursement of infrastructure costs incurred by the university for construction of the laboratory in ~~the~~ prior fiscal ~~year~~ years:

FY 2018-2019:

..... $ 1,000,000

FY 2019-2020:

..... $ 12,500,000

FY 2020-2021:

..... $ ~~12,500,000~~
7,500,000

FY 2021-2022:

..... $ ~~12,500,000~~
14,200,000

FY 2022-2023:

..... $ ~~12,500,000~~
14,200,000

FY 2023-2024:

..... $ ~~12,500,000~~
14,200,000

Sec. 9. 2019 Iowa Acts, chapter 137, section 1, subsection 4, paragraphs d and e, are amended to read as follows:

d. For deposit in the vacant state buildings demolition fund created in section 15.261:

FY 2019-2020:

..... $ 1,000,000

~~FY 2020-2021:~~

~~..... $ 1,000,000~~

FY 2021-2022:

..... $ 1,000,000

e. For deposit in the vacant state buildings rehabilitation fund created in section 15.262, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2019-2020:

..... $ 1,000,000

~~FY 2020-2021:~~

~~..... $ 1,000,000~~

FY 2021-2022:

..... $ 1,000,000

Sec. 10. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION IV

MISCELLANEOUS PROVISIONS

Sec. 11. Section 2.12B, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. The facilities manager for facilities under the control of the general assembly shall develop and submit to the legislative council by December 15, 2020, a five-year maintenance project schedule report, with annual written updates thereafter, for the Iowa state capitol and the Ola Babcock Miller building.

Sec. 12. Section 8.57C, subsection 3, paragraph a, subparagraph (2), Code 2020, is amended to read as follows:

(2) The fiscal year beginning July 1, ~~2020~~ 2021, and for each subsequent fiscal year thereafter.

Sec. 13. Section 8.57C, subsection 3, Code 2020, is amended by adding the following new paragraph:

NEW PARAGRAPH. *i.* There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the sum of seventeen million five hundred thousand dollars to the technology reinvestment fund, notwithstanding section 8.57, subsection 5, paragraph *"c"*.

Sec. 14. ROUTINE MAINTENANCE FUND. Notwithstanding the standing appropriation in section 8A.330, there is appropriated from the rebuild Iowa infrastructure fund to the department of administrative services for deposit in the routine maintenance fund established in section 8A.330 for the fiscal year beginning July 1, 2020, the sum of one million dollars.

DIVISION V

REBUILD IOWA INFRASTRUCTURE FUND APPROPRIATION

Sec. 15. IOWA ECONOMIC EMERGENCY FUND TRANSFERS. Notwithstanding any provision of section 8.55 to the contrary and for purposes of transfers from the Iowa economic emergency fund created in section 8.55 as provided in this section during the fiscal year beginning July 1, 2020, the maximum balance of the Iowa economic emergency fund is the amount equal to two and one-half percent of the adjusted revenue estimate for the fiscal year beginning July 1, 2020. If the amount of moneys in the Iowa economic emergency fund is equal to the maximum balance, moneys in excess of this amount shall be distributed as follows during the fiscal year beginning July 1, 2020:

1. The first seventy million dollars shall be transferred to the general fund of the state.

2. Of the excess remaining after the transfer in subsection 1, the difference, reduced by the transfer made in subsection 1, between the actual net revenue for the general fund of the state for the fiscal year beginning July 1, 2019, and ending

1 June 30, 2020, and the adjusted revenue estimate for the fiscal
2 year beginning July 1, 2019, and ending June 30, 2020, shall
3 be transferred to the taxpayer relief fund created in section
4 8.57E.
5 3. The remainder of the excess, if any, shall be transferred
6 to the general fund of the state.
7 Sec. 16. REBUILD IOWA INFRASTRUCTURE FUND —— GENERAL FUND
8 APPROPRIATION. There is appropriated from the general fund
9 of the state for the fiscal year beginning July 1, 2019, and
10 ending June 30, 2020, to the rebuild Iowa infrastructure fund
11 created in section 8.57, the sum of seventy million dollars.
12 Sec. 17. EFFECTIVE DATE. This division of this Act, being
13 deemed of immediate importance, takes effect upon enactment.
14 Sec. 18. RETROACTIVE APPLICABILITY. This division of this
15 Act applies retroactively to June 1, 2020.
16 DIVISION VI
17 CONTINGENT EFFECTIVE DATE AND RETROACTIVE APPLICABILITY
18 Sec. 19. EFFECTIVE UPON ENACTMENT. Unless otherwise
19 provided, this Act, if approved by the governor on or after
20 July 1, 2020, takes effect upon enactment.
21 Sec. 20. RETROACTIVE APPLICABILITY. Unless otherwise
22 provided, this Act, if approved by the governor on or after
23 July 1, 2020, applies retroactively to July 1, 2020.>
24 2. By renumbering as necessary.

By CRAIG JOHNSON

S-5156 FILED JUNE 13, 2020
ADOPTED

SENATE FILE 2418

S-5150

1 Amend Senate File 2418 as follows:
2 1. By striking everything after the enacting clause and
3 inserting:
4 <DIVISION I
5 PROFESSIONAL LICENSING
6 Section 1. Section 103.6, subsection 1, paragraph e, Code
7 2020, is amended by striking the paragraph.
8 Sec. 2. Section 103.9, subsection 3, Code 2020, is amended
9 by striking the subsection.
10 Sec. 3. Section 103.10, subsection 6, Code 2020, is amended
11 by striking the subsection.
12 Sec. 4. Section 103.12, subsection 6, Code 2020, is amended
13 by striking the subsection.
14 Sec. 5. Section 103.12A, subsection 4, Code 2020, is amended
15 by striking the subsection.
16 Sec. 6. Section 103.13, subsection 4, Code 2020, is amended
17 by striking the subsection.
18 Sec. 7. Section 103.15, subsection 7, Code 2020, is amended
19 by striking the subsection.
20 Sec. 8. Section 105.10, subsection 5, Code 2020, is amended
21 by striking the subsection.
22 Sec. 9. Section 105.22, subsection 4, Code 2020, is amended
23 by striking the subsection.
24 Sec. 10. Section 135.105A, subsection 5, Code 2020, is
25 amended to read as follows:
26 5. The department shall adopt rules regarding minimum
27 requirements for lead inspector, lead abater, and lead-safe
28 renovator training programs, certification, work practice
29 standards, and suspension and revocation requirements, and
30 shall implement the training and certification programs. Rules
31 adopted pursuant to this subsection shall comply with chapter
32 272C. The department shall seek federal funding and shall
33 establish fees in amounts sufficient to defray the cost of the
34 programs. The fees shall be used for any of the department's
35 duties under this subchapter, including but not limited

to the costs of full-time equivalent positions for program services and investigations. Fees received shall be considered repayment receipts as defined in section 8.2.

Sec. 11. Section 147.3, Code 2020, is amended to read as follows:

147.3 Qualifications.

An applicant for a license to practice a profession under this subtitle is not ineligible because of age, citizenship, sex, race, religion, marital status, or national origin, although the application form may require citizenship information. ~~A board may consider the past criminal record of an applicant only if the conviction relates to the practice of the profession for which the applicant requests to be licensed.~~

Sec. 12. Section 147.55, subsection 5, Code 2020, is amended by striking the subsection.

Sec. 13. Section 147A.7, subsection 1, paragraph j, Code 2020, is amended by striking the paragraph.

Sec. 14. Section 148.6, subsection 2, paragraph b, Code 2020, is amended by striking the paragraph.

Sec. 15. Section 148H.7, subsection 1, paragraph a, Code 2020, is amended by striking the paragraph.

Sec. 16. Section 151.9, subsection 5, Code 2020, is amended by striking the subsection.

Sec. 17. Section 152.10, subsection 2, paragraph c, Code 2020, is amended by striking the paragraph.

Sec. 18. Section 153.34, subsection 9, Code 2020, is amended by striking the subsection.

Sec. 19. Section 154A.24, subsection 1, Code 2020, is amended by striking the subsection.

Sec. 20. Section 156.9, subsection 2, paragraph e, Code 2020, is amended by striking the paragraph.

Sec. 21. Section 272.1, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. *"Offense directly relates"* refers to either of the following:

a. The actions taken in furtherance of an offense are actions customarily performed within the scope of practice of a licensed profession.

b. The circumstances under which an offense was committed are circumstances customary to a licensed profession.

Sec. 22. Section 272.2, subsection 14, paragraph a, Code 2020, is amended to read as follows:

a. The board may deny a license to or revoke the license of a person upon the board's finding by a preponderance of evidence that either the person has been convicted of ~~a crime~~ an offense and the offense directly relates to the duties and responsibilities of the profession or that there has been a founded report of child abuse against the person. Rules adopted in accordance with this paragraph shall provide that in determining whether a person should be denied a license or that a practitioner's license should be revoked, the board shall consider the nature and seriousness of the founded abuse or crime in relation to the position sought, the time elapsed since the crime was committed, the degree of rehabilitation which has taken place since the incidence of founded abuse or the commission of the crime, the likelihood that the person will commit the same abuse or crime again, and the number of founded abuses committed by or criminal convictions of the person involved.

Sec. 23. Section 272C.1, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. *"Offense directly relates"* refers to either of the following:

a. The actions taken in furtherance of an offense are actions customarily performed within the scope of practice of a licensed profession.

b. The circumstances under which an offense was committed are circumstances customary to a licensed profession.

Sec. 24. Section 272C.4, subsection 13, Code 2020, is amended by striking the subsection.

Sec. 25. Section 272C.10, subsection 5, Code 2020, is amended by striking the subsection and inserting in lieu thereof the following:

5. Conviction of a felony offense, if the offense directly relates to the profession or occupation of the licensee, in the courts of this state or another state, territory, or country. Conviction as used in this subsection includes a conviction of an offense which if committed in this state would be a felony without regard to its designation elsewhere, and includes a finding or verdict of guilt made or returned in a criminal proceeding even if the adjudication of guilt is withheld or not entered. A certified copy of the final order or judgment of conviction or plea of guilty in this state or in another state constitutes conclusive evidence of the conviction.

Sec. 26. NEW SECTION. **272C.12 Licensure of persons licensed in other jurisdictions.**

1. Notwithstanding any other provision of law, an occupational or professional license, certificate, or registration, including a license, certificate, or registration issued by the board of educational examiners, shall be issued without an examination to a person who establishes residency in this state or to a person who is married to an active duty member of the military forces of the United States and who is accompanying the member on an official permanent change of station to a military installation located in this state if all of the following conditions are met:

a. The person is currently licensed, certified, or registered by at least one other issuing jurisdiction in the occupation or profession applied for with a substantially similar scope of practice and the license, certificate, or registration is in good standing in all issuing jurisdictions in which the person holds a license, certificate, or registration.

b. The person has been licensed, certified, or registered by another issuing jurisdiction for at least one year.

c. When the person was licensed by the issuing jurisdiction, the issuing jurisdiction imposed minimum educational requirements and, if applicable, work experience and clinical supervision requirements, and the issuing jurisdiction verifies that the person met those requirements in order to be licensed in that issuing jurisdiction.

d. The person previously passed an examination required by the other issuing jurisdiction for licensure, certification, or registration, if applicable.

e. The person has not had a license, certificate, or registration revoked and has not voluntarily surrendered a license, certificate, or registration in any other issuing jurisdiction or country while under investigation for unprofessional conduct.

f. The person has not had discipline imposed by any other regulating entity in this state or another issuing jurisdiction or country. If another jurisdiction has taken disciplinary action against the person, the appropriate licensing board shall determine if the cause for the action was corrected and the matter resolved. If the licensing board determines that the matter has not been resolved by the jurisdiction imposing discipline, the licensing board shall not issue or deny a license, certificate, or registration to the person until the matter is resolved.

g. The person does not have a complaint, allegation, or investigation pending before any regulating entity in another issuing jurisdiction or country that relates to unprofessional conduct. If the person has any complaints, allegations, or investigations pending, the appropriate licensing board shall not issue or deny a license, certificate, or registration to the person until the complaint, allegation, or investigation is resolved.

h. The person pays all applicable fees.

i. The person does not have a criminal history that would prevent the person from holding the license, certificate, or

registration applied for in this state.

2. A person licensed pursuant to this section is subject to the laws regulating the person's practice in this state and is subject to the jurisdiction of the appropriate licensing board.

3. This section does not apply to any of the following:

a. The ability of a licensing board, agency, or department to require the submission of fingerprints or completion of a criminal history check.

b. Criteria for a license, certificate, or registration that is established by an interstate compact.

c. The ability of a licensing board, agency, or department to require a person to take and pass an examination specific to the laws of this state prior to issuing a license. A licensing board, agency, or department that requires an applicant to take and pass an examination specific to the laws of this state shall issue an applicant a temporary license that is valid for a period of three months and may be renewed once for an additional period of three months.

d. A license issued by the department of transportation.

e. A person who is licensed by another issuing jurisdiction and is granted a privilege to practice in this state by another provision of law without receiving a license in this state.

f. A person applying for a license through a national licensing organization.

4. A license, certificate, or registration issued pursuant to this section does not grant the person receiving the license, certificate, or registration eligibility to practice pursuant to an interstate compact. A licensing board shall determine eligibility for a person to hold a license, certificate, or registration pursuant to this section regardless of the person's eligibility to practice pursuant to an interstate compact.

5. For the purposes of this section, *"issuing jurisdiction"* means the duly constituted authority in another state that has issued a professional license, certificate, or registration to

1 a person.
2 Sec. 27. NEW SECTION. **272C.13 Educational requirements —**
3 **work experience.**
4 1. Except as provided in subsection 2, a person applying
5 for a professional or occupational license, certificate,
6 or registration in this state who relocates to this state
7 from another state that did not require a professional or
8 occupational license, certificate, or registration to practice
9 the person's profession or occupation may be considered to have
10 met any education, training, or work experience requirements
11 imposed by a licensing board in this state if the person
12 has three or more years of related work experience with a
13 substantially similar scope of practice within the four years
14 preceding the date of application as determined by the board.
15 2. This section does not apply to a license, certificate,
16 or registration issued by the board of medicine, the board of
17 nursing, the dental board, the board of pharmacy, or the board
18 of educational examiners.
19 3. If this Code or administrative rules require
20 a person applying for a professional or occupational
21 license, certificate, or registration in this state to
22 pass an examination to obtain the license, certificate, or
23 registration, a person applying for licensure, certification,
24 or registration under this section shall be required to pass
25 the same examination.
26 Sec. 28. NEW SECTION. **272C.14 Waiver of fees.**
27 A licensing board, agency, or department shall waive any
28 fee charged to an applicant for a license if the applicant's
29 household income does not exceed two hundred percent of the
30 federal poverty income guidelines and the applicant is applying
31 for the license for the first time in this state.
32 Sec. 29. NEW SECTION. **272C.15 Disqualifications for**
33 **criminal convictions limited.**
34 1. Notwithstanding any other provision of law to the
35 contrary, except for chapter 272, a person's conviction of a

1 crime may be grounds for the denial, revocation, or suspension
2 of a license only if an unreasonable risk to public safety
3 exists because the offense directly relates to the duties
4 and responsibilities of the profession and the appropriate
5 licensing board, agency, or department does not grant an
6 exception pursuant to subsection 4.
7 2. A licensing board, agency, or department that may deny a
8 license on the basis of an applicant's conviction record shall
9 provide a list of the specific convictions that may disqualify
10 an applicant from receiving a license. Any such offense
11 shall be an offense that directly relates to the duties and
12 responsibilities of the profession.
13 3. A licensing board, agency, or department shall not deny
14 an application for a license on the basis of an arrest that
15 was not followed by a conviction or based on a finding that an
16 applicant lacks good character, suffers from moral turpitude,
17 or on other similar basis.
18 4. A licensing board, agency, or department shall grant
19 an exception to an applicant who would otherwise be denied a
20 license due to a criminal conviction if the following factors
21 establish by clear and convincing evidence that the applicant
22 is rehabilitated and an appropriate candidate for licensure:
23 *a.* The nature and seriousness of the crime for which the
24 applicant was convicted.
25 *b.* The amount of time that has passed since the commission
26 of the crime. There is a rebuttable presumption that an
27 applicant is rehabilitated and an appropriate candidate
28 for licensure five years after the date of the applicant's
29 release from incarceration, provided that the applicant was
30 not convicted of sexual abuse in violation of section 709.4,
31 a sexually violent offense as defined in section 229A.2,
32 dependent adult abuse in violation of section 235B.20, a
33 forcible felony as defined in section 702.11, or domestic abuse
34 assault in violation of section 708.2A, and the applicant
35 has not been convicted of another crime after release from

incarceration.

c. The circumstances relative to the offense, including any aggravating and mitigating circumstances or social conditions surrounding the commission of the offense.

d. The age of the applicant at the time the offense was committed.

e. Any treatment undertaken by the applicant.

f. Whether a certification of employability has been issued to the applicant pursuant to section 906.19.

g. Any letters of reference submitted on behalf of the applicant.

h. All other relevant evidence of rehabilitation and present fitness of the applicant.

5. An applicant may petition the relevant licensing board, agency, or department, in a form prescribed by the board, agency, or department, for a determination as to whether the applicant's criminal record will prevent the applicant from receiving a license. The board, agency, or department shall issue such a determination at the next regularly scheduled meeting of the board, agency, or department or within thirty days of receiving the petition, whichever is later. The board, agency, or department shall hold a closed session while determining whether an applicant's criminal record will prevent the applicant from receiving a license and while determining whether to deny an applicant's application on the basis of an applicant's criminal conviction. A board, agency, or department may charge a fee to recoup the costs of such a determination, provided that such fee shall not exceed twenty-five dollars.

6. *a.* A licensing board, agency, or department that denies an applicant a license solely or partly because of the applicant's prior conviction of a crime shall notify the applicant in writing of all of the following:

(1) The grounds for the denial or disqualification.

(2) That the applicant has the right to a hearing to

1 challenge the licensing authority's decision.
2 (3) The earliest date the applicant may submit a new
3 application.
4 (4) That evidence of rehabilitation of the applicant may be
5 considered upon reapplication.
6 *b.* A determination by a licensing board, agency, or
7 department that an applicant's criminal conviction is
8 specifically listed as a disqualifying conviction and the
9 offense directly relates to the duties and responsibilities
10 of the applicant's profession must be documented in written
11 findings for each factor specified in subsection 4 sufficient
12 for a review by a court.
13 *c.* In any administrative or civil hearing authorized by
14 this section or chapter 17A, a licensing board, agency, or
15 department shall carry the burden of proof on the question of
16 whether the applicant's criminal offense directly relates to
17 the duties and responsibilities of the profession for which the
18 license is sought.
19 7. A board, agency, or department may require an applicant
20 with a criminal record to submit the applicant's complete
21 criminal record detailing an applicant's offenses with an
22 application. A board, agency, or department may also require
23 an applicant with a criminal record to submit a personal
24 statement regarding whether each offense directly relates to
25 the duties and performance of the applicant's occupation. For
26 the purposes of this subsection, *"complete criminal record"*
27 includes the complaint and judgment of conviction for each
28 offense of which the applicant has been convicted.
29 Sec. 30. RULEMAKING PROCEDURES AND APPLICABILITY.
30 1. The boards designated in section 147.13 other than the
31 board of medicine, the board of nursing, the dental board, and
32 the board of pharmacy, when carrying out rulemaking pursuant
33 to chapter 17A to implement the provisions of this division
34 of this Act, shall each adopt the same rules, which shall be
35 applicable to all such boards. The bureau of professional

licensure of the department of public health shall assist the boards in carrying out such rulemaking.

2. The accountancy examining board, the architectural examining board, the engineering and land surveying examining board, the interior design examining board, the landscape architectural examining board, and the real estate commission, when carrying out rulemaking pursuant to chapter 17A to implement the provisions of this Act, shall each adopt the same rules, which shall be applicable to all such boards and the real estate commission. The professional licensing bureau of the department of commerce shall assist the boards and the real estate commission in carrying out such rulemaking.

3. This section shall not apply to any rulemaking pursuant to chapter 17A by a board or commission to implement the provisions of this Act that the board or commission determines is necessary to address circumstances or legal requirements uniquely applicable to the board or commission.

Sec. 31. EFFECTIVE DATE. This division of this Act takes effect January 1, 2021.

DIVISION II

MISCELLANEOUS CHANGES

Sec. 32. Section 22.2, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. If feasible, the custodian of a public record may provide for the electronic examination and copying of a public record in lieu of requiring in-person examination and copying of a public record. This subsection does not apply to searches of all indexes, general and specific, of public records relating to documents, instruments, and muniments of title, for the purpose of performing title searches, real property searches, or creating real property abstracts.

Sec. 33. Section 22.4, Code 2020, is amended to read as follows:

22.4 ~~Hours when available~~ Public records requests.

The rights of persons under this chapter may be exercised

under any of the following circumstances:

1. In person, at any time during the customary office hours of the lawful custodian of the records. However, if the lawful custodian does not have customary office hours of at least thirty hours per week, such right may be exercised at any time from 9:00 a.m. to noon and from 1:00 p.m. to 4:00 p.m. Monday through Friday, excluding legal holidays, unless the person exercising such right and the lawful custodian agree on a different time.

2. In writing, by telephone, or by electronic means. The lawful custodian of the records shall post information for making such requests in a manner reasonably calculated to apprise the public of that information.

Sec. 34. Section 80A.1, subsection 12, Code 2020, is amended to read as follows:

12. *"Private security business"* means a business of furnishing, for hire or reward, guards, watch personnel, armored car personnel, patrol personnel, or other persons to protect persons or property, to prevent the unlawful taking of goods and merchandise, or to prevent the misappropriation or concealment of goods, merchandise, money, securities, or other valuable documents or papers, and includes an individual who for hire patrols, watches, or guards a residential, industrial, or business property or district. *"Private security business"* does not include a business for debt collection as defined in section 537.7102.

Sec. 35. Section 89A.3, subsection 2, paragraph i, Code 2020, is amended to read as follows:

i. The amount of fees charged and collected for inspection, permits, and commissions. Fees shall be set at an amount sufficient to cover costs as determined from consideration of the reasonable time required to conduct an inspection, reasonable hourly wages paid to inspectors, and reasonable transportation and similar expenses. The safety board shall also be authorized to consider setting reduced fees for

nonprofit associations and nonprofit corporations, as described in chapters 501B and 504.

Sec. 36. Section 125.38, subsection 1, Code 2020, is amended to read as follows:

1. Subject to reasonable rules regarding hours of visitation which the department may adopt, a patient in a facility shall be granted an opportunity for adequate consultation with counsel, and for continuing contact with family and friends consistent with an effective treatment program, provided that such consultation and contact may be provided telephonically or electronically.

Sec. 37. Section 135B.5, subsection 1, Code 2020, is amended to read as follows:

1. Upon receipt of an application for license and the license fee, the department shall issue a license if the applicant and hospital facilities comply with this chapter, chapter 135, and the rules of the department. Each licensee shall receive annual reapproval upon payment of five hundred dollars and upon filing of an application form which is available from the department. The annual licensure fee shall be dedicated to support and provide educational programs on regulatory issues for hospitals licensed under this chapter ~~in consultation with the hospital licensing board~~. Licenses shall be either general or restricted in form. Each license shall be issued only for the premises and persons or governmental units named in the application and is not transferable or assignable except with the written approval of the department. Licenses shall be posted in a conspicuous place on the licensed premises as prescribed by rule of the department.

Sec. 38. Section 135B.7, subsection 1, paragraph a, Code 2020, is amended to read as follows:

a. The department, with the ~~advice and approval of the hospital licensing board and~~ approval of the state board of health, shall adopt rules setting out the standards for the different types of hospitals to be licensed under this chapter.

The department shall enforce the rules.

Sec. 39. Section 272.2, subsection 1, paragraph a, Code 2020, is amended to read as follows:

a. License practitioners, which includes the authority to establish criteria for the licenses; establish issuance and renewal requirements, provided that a continuing education requirement may be completed by electronic means; create application and renewal forms; create licenses that authorize different instructional functions or specialties; develop a code of professional rights and responsibilities, practices, and ethics, which shall, among other things, address the failure of a practitioner to fulfill contractual obligations under section 279.13; and develop any other classifications, distinctions, and procedures which may be necessary to exercise licensing duties. In addressing the failure of a practitioner to fulfill contractual obligations, the board shall consider factors beyond the practitioner's control.

Sec. 40. Section 483A.24, subsection 3, paragraph a, Code 2020, is amended to read as follows:

a. Fifty of the nonresident deer hunting licenses shall be allocated as ~~requested by a majority of a committee consisting of the majority leader of the senate, speaker of the house of representatives, and director of the economic development authority, or their designees~~ determined by the department. The licenses provided pursuant to this subsection shall be in addition to the number of nonresident licenses authorized pursuant to section 483A.8. The purpose of the special nonresident licenses is to allow state officials and local development groups to promote the state and its natural resources to nonresident guests and dignitaries. Photographs, videotapes, or any other form of media resulting from the hunting visitation shall not be used for political campaign purposes. The nonresident licenses shall be issued without application upon purchase of a nonresident annual hunting license that includes the wildlife habitat fee and the purchase

of a nonresident deer hunting license. The licenses are valid in all zones open to deer hunting. The hunter education certificate requirement pursuant to section 483A.27 is waived for a nonresident issued a license pursuant to this subsection.

Sec. 41. Section 483A.24, subsection 4, paragraph a, Code 2020, is amended to read as follows:

a. Fifty of the nonresident wild turkey hunting licenses shall be allocated as ~~requested by a majority of a committee consisting of the majority leader of the senate, speaker of the house of representatives, and director of the economic development authority, or their designees~~ determined by the department. The licenses provided pursuant to this subsection shall be in addition to the number of nonresident licenses authorized pursuant to section 483A.7. The purpose of the special nonresident licenses is to allow state officials and local development groups to promote the state and its natural resources to nonresident guests and dignitaries. Photographs, videotapes, or any other form of media resulting from the hunting visitation shall not be used for political campaign purposes. The nonresident licenses shall be issued without application upon purchase of a nonresident annual hunting license that includes the wildlife habitat fee and the purchase of a nonresident wild turkey hunting license. The licenses are valid in all zones open to wild turkey hunting. The hunter education certificate requirement pursuant to section 483A.27 is waived for a nonresident issued a license pursuant to this subsection.

Sec. 42. Section 543D.9, Code 2020, is amended to read as follows:

543D.9 Education and experience requirement.

The board shall determine what real estate appraisal or real estate appraisal review experience and what education shall be required to provide appropriate assurance that an applicant for certification is competent to perform the certified appraisal work which is within the scope of practice

1 defined by the board. All experience required for initial
2 certification shall be performed as a registered associate
3 real estate appraiser acting under the direct supervision of
4 a certified real estate appraiser who meets the supervisory
5 requirements established by applicable federal authorities or
6 federal law, rule, or policy in effect at the time the hours
7 of experience are claimed, except as the board may provide by
8 rule. Subject to requirements or limitations established by
9 applicable federal authorities or federal law, rule, or policy,
10 hours qualifying for experience in a bordering state will
11 be considered qualifying hours for experience in this state
12 without requiring a waiver or authorization from the board in
13 accordance with rules and standards adopted by the board, as
14 long as a majority of qualifying hours are completed in this
15 state. Qualifying hours completed in a bordering state shall
16 be under the direct supervision of a certified real estate
17 appraiser with active certification in that bordering state.
18 The board shall prescribe a required minimum number of tested
19 hours of education relating to the provisions of this chapter,
20 the uniform appraisal standards, and other rules issued in
21 accordance with this chapter.
22 Sec. 43. Section 544A.8, Code 2020, is amended by adding the
23 following new subsection:
24 NEW SUBSECTION. 5. A person applying to the board for
25 licensure who has passed a module of the architect registration
26 examination but failed to pass the exam shall not be required
27 to retake the module that the applicant previously passed in
28 subsequent examinations.
29 Sec. 44. REPEAL. Chapter 9D, Code 2020, is repealed.
30 Sec. 45. REPEAL. Sections 135B.10 and 135B.11, Code 2020,
31 are repealed.
32 Sec. 46. 2018 Iowa Acts, chapter 1142, section 8, as amended
33 by 2019 Iowa Acts, chapter 85, section 118, is amended to read
34 as follows:
35 SEC. 8. FUTURE REPEAL. Section 155A.44, Code 2018, is

1 repealed effective July 1, ~~2020~~ 2021.
2 Sec. 47. CONTINUING EDUCATION REQUIREMENTS. The boards
3 designated in section 147.13 shall require licensees required
4 to complete continuing education credits prior to the renewal
5 of a license set to expire in 2020 to complete such continuing
6 education credits by June 30, 2021. A license set to expire in
7 2020 shall not expire until June 30, 2021.
8 Sec. 48. CONTINUING EDUCATION — ELECTRONIC MEANS. For the
9 period beginning on the effective date of this division of this
10 Act through June 30, 2021, notwithstanding any provision of law
11 to the contrary, each licensing board, as defined in section
12 272C.1, shall allow licensees to satisfy continuing education
13 requirements by electronic means.
14 Sec. 49. SCHOOL PHYSICALS — TEMPORARY PROVISIONS. For
15 the period beginning on the effective date of this division of
16 this Act through December 31, 2020, a student participating
17 in interscholastic athletics who presents to the student's
18 superintendent a certificate signed on or after July 1, 2019,
19 by a licensed physician or surgeon, osteopathic physician
20 or surgeon, chiropractor, physician assistant, or advanced
21 registered nurse practitioner, to the effect that the
22 student has been examined and may safely engage in athletic
23 competition, shall be deemed to have complied with the
24 regulatory provisions of 281 IAC 36.14(1).
25 Sec. 50. SHAREHOLDER MEETINGS — TEMPORARY PROVISIONS. For
26 the period beginning on the effective date of this division
27 of this Act through December 31, 2020, notwithstanding the
28 provisions of chapters 490, 491, 499, and 501A requiring an
29 in-person meeting of shareholders, policyholders, or members,
30 an in-person meeting of shareholders, policyholders, or members
31 shall not be required if the meeting is held by means of remote
32 communication and provides shareholders, policyholders, or
33 members a reasonable opportunity to participate in the meeting
34 and to vote on matters submitted for action at such meeting,
35 including an opportunity to communicate and to read or hear the

1 proceedings of the meeting, substantially concurrent with the
2 occurrence of such meeting.
3 Sec. 51. EFFECTIVE DATE. This division of this Act, being
4 deemed of immediate importance, takes effect upon enactment.>

By WAYLON BROWN

S-5150 FILED JUNE 13, 2020
ADOPTED

SENATE FILE 2419

S-5158

1 Amend Senate File 2419 as follows:
2 1. By striking everything after the enacting clause and
3 inserting:
4 <DIVISION I
5 DEPARTMENT OF REVENUE ADMINISTRATION AND PENALTY PROVISIONS
6 Section 1. Section 421.6, Code 2020, is amended to read as
7 follows:
8 **421.6 Definition of return.**
9 For purposes of this title, unless the context otherwise
10 requires, *"return"* means any tax or information return, amended
11 return, declaration of estimated tax, or claim for refund
12 that is required by, provided for, or permitted under, the
13 provisions of this title or section 533.329, and which is filed
14 with the department by, on behalf of, or with respect to any
15 person. *"Return"* includes any amendment or supplement to these
16 items, including supporting schedules, attachments, or lists
17 which are supplemental to or part of the filed return.
18 Sec. 2. Section 421.17, Code 2020, is amended by adding the
19 following new subsection:
20 NEW SUBSECTION. 36. To enter into an agreement pursuant
21 to chapter 28E with the state fair organized under chapter 173
22 or with a fair defined in section 174.1, to collect and remit
23 taxes and fees from sellers making sales at retail on property
24 owned, controlled, or operated by a fair or through events
25 conducted by a fair.
26 Sec. 3. Section 421.27, subsection 1, Code 2020, is amended
27 to read as follows:
28 1. *Failure to timely file a return or deposit form.*
29 *a.* If a person fails to file with the department on or
30 before the due date a return or deposit form there shall be
31 added to the tax shown due or required to be shown due a penalty
32 of ten percent of the tax shown due or required to be shown due.
33 *b.* In the case of a specified business with no tax shown
34 due or required to be shown due that fails to timely file an
35 income return, the specified business shall pay the greater of

the following penalty amounts:

(1) Two hundred dollars.

(2) An amount equal to ten percent of the imputed Iowa liability of the specified business, not to exceed twenty-five thousand dollars.

c. The penalty, if assessed pursuant to paragraph *"a"* or *"b"*, shall be waived by the department upon a showing of any of the following conditions:

~~*a.*~~ (1) ~~At~~ An amount of tax greater than zero is required to be shown due and at least ninety percent of the tax required to be shown due has been paid by the due date of the tax.

~~*b.*~~ (2) Those taxpayers who are required to file quarterly returns, or monthly or semimonthly deposit forms may have one late return or deposit form within a three-year period. The use of any other penalty exception will not count as a late return or deposit form for purposes of this exception.

~~*c.*~~ (3) The death of a taxpayer, death of a member of the immediate family of the taxpayer, or death of the person directly responsible for filing the return and paying the tax, when the death interferes with timely filing.

~~*d.*~~ (4) The onset of serious, long-term illness or hospitalization of the taxpayer, of a member of the immediate family of the taxpayer, or of the person directly responsible for filing the return and paying the tax.

~~*e.*~~ (5) Destruction of records by fire, flood, or other act of God.

~~*f.*~~ (6) The taxpayer presents proof that the taxpayer relied upon applicable, documented, written advice specifically made to the taxpayer, to the taxpayer's preparer, or to an association representative of the taxpayer from the department, state department of transportation, county treasurer, or federal internal revenue service, whichever is appropriate, that has not been superseded by a court decision, ruling by a quasi-judicial body, or the adoption, amendment, or repeal of a rule or law.

~~g.~~ (7) Reliance upon results in a previous audit was a direct cause for the failure to file where the previous audit expressly and clearly addressed the issue and the previous audit results have not been superseded by a court decision, or the adoption, amendment, or repeal of a rule or law.

~~h.~~ (8) Under rules prescribed by the director, the taxpayer presents documented proof of substantial authority to rely upon a particular position or upon proof that all facts and circumstances are disclosed on a return or deposit form.

~~i.~~ (9) The return, deposit form, or payment is timely, but erroneously, mailed with adequate postage to the internal revenue service, another state agency, or a local government agency and the taxpayer provides proof of timely mailing with adequate postage.

~~j.~~ (10) The tax has been paid by the wrong licensee and the payments were timely remitted to the department for one or more tax periods prior to notification by the department.

~~k.~~ (11) The failure to file was discovered through a sanctioned self-audit program conducted by the department.

~~l.~~ (12) If the availability of funds in payment of tax required to be made through electronic funds transfer is delayed and the delay of availability is due to reasons beyond the control of the taxpayer. *"Electronic funds transfer"* means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal telephone, computer, magnetic tape, or similar device for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

~~m.~~ (13) The failure to file a timely inheritance tax return resulting solely from a disclaimer that required the personal representative to file an inheritance tax return. The penalty shall be waived if such return is filed and any tax due is paid within the later of nine months from the date of death or sixty days from the delivery or filing of the disclaimer pursuant to

section 633E.12.

~~n.~~ (14) That an Iowa inheritance tax return is filed for an estate within the later of nine months from the date of death or sixty days from the filing of a disclaimer by the beneficiary of the estate refusing to take the property or right or interest in the property.

Sec. 4. Section 421.27, subsections 4 and 6, Code 2020, are amended to read as follows:

4. *Willful failure to file or deposit.*

a. (1) In case of willful failure to file a return or deposit form with the intent to evade tax or a filing requirement, or in case of willfully filing a false return or deposit form with the intent to evade tax, in lieu of the penalties otherwise provided in this section, a penalty of seventy-five percent shall be added to the amount shown due or required to be shown as tax on the return or deposit form.

(2) In case of a willful failure by a specified business to file an income return with no tax shown due or required to be shown due with intent to evade a filing requirement, or in case of willfully filing a false income return with no tax shown due or required to be shown due with the intent to evade reporting of Iowa-source income, the penalty imposed shall be the greater of the following amounts:

(a) One thousand five hundred dollars.

(b) An amount equal to seventy-five percent of the imputed Iowa liability of the specified business.

(3) If penalties are applicable for failure to file a return or deposit form and failure to pay the tax shown due or required to be shown due on the return or deposit form, the penalty provision for failure to file shall be in lieu of the penalty provisions for failure to pay the tax shown due or required to be shown due on the return or deposit form, except in the case of willful failure to file a return or deposit form or willfully filing a false return or deposit form with intent to evade tax.

b. The penalties imposed under this subsection are not subject to waiver.

6. ~~*Improper receipt of payments*~~ *Liability — fraudulent practice.* A person who makes an erroneous application for refund, credit, reimbursement, rebate, or other payment shall be liable for any overpayment received or tax liability reduced plus interest at the rate in effect under section 421.7.

a. In addition, a person ~~who willfully~~ commits a fraudulent practice and is liable for a penalty equal to seventy-five percent of the refund, credit, exemption, reimbursement, rebate, or other payment or benefit being claimed if the person does any of the following:

(1) Willfully makes a false or frivolous application for refund, credit, exemption, reimbursement, rebate, or other payment or benefit with intent to evade tax or with intent to receive a refund, credit, exemption, reimbursement, rebate, or other payment or benefit, to which the person is not entitled ~~is guilty of a fraudulent practice and is liable for a penalty equal to seventy-five percent of the refund, credit, reimbursement, rebate, or other payment being claimed~~.

(2) Willfully submits any false information, document, or document containing false information in support of an application for refund, credit, exemption, reimbursement, rebate, or other payment or benefit with the intent to evade tax.

(3) Willfully submits with any false information, document, or document containing false information in support of an application for refund with the intent to receive a refund, credit, exemption, reimbursement, rebate, or other payment benefit, to which the person is not entitled.

b. Payments, penalties, and interest due under this subsection may be collected and enforced in the same manner as the tax imposed.

Sec. 5. Section 421.27, Code 2020, is amended by adding the following new subsections:

1 NEW SUBSECTION. 8. *Definitions.* As used in this section:
2 *a. "Imputed Iowa liability"* means any of the following:
3 (1) In the case of corporations other than corporations
4 described in section 422.34 or section 422.36, subsection 5,
5 the corporation's Iowa net income after the application of the
6 Iowa business activity ratio, if applicable, multiplied by the
7 top income tax rate imposed under section 422.33 for the tax
8 year.
9 (2) In the case of financial institutions as defined in
10 section 422.61, the financial institution's Iowa net income
11 after the application of the Iowa business activity ratio, if
12 applicable, multiplied by the franchise tax rate imposed under
13 section 422.63 for the tax year.
14 (3) In this case of all other entities, including
15 corporations described in section 422.36, subsection 5, and all
16 other entities required to file an information return under
17 section 422.15, subsection 2, the entity's Iowa net income
18 after the application of the Iowa business activity ratio, if
19 applicable, multiplied by the top income tax rate imposed under
20 section 422.5A for the tax year.
21 *b. "Income return"* means an income tax return or information
22 return required under section 422.15, subsection 2, or section
23 422.36, 422.37, or 422.62.
24 *c. "Specified business"* means a partnership or other entity
25 required to file an information return under section 422.15,
26 subsection 2, a corporation required to file a return under
27 section 422.36 or 422.37, or a financial institution required
28 to file a return under section 422.62.
29 NEW SUBSECTION. 9. *Additional penalty.* In addition to the
30 penalties imposed by this section, if a taxpayer fails to file
31 a return within ninety days of written notice by the department
32 that the taxpayer is required to do so, there shall be added to
33 the amount shown due or required to be shown due a penalty in
34 the amount of one thousand dollars.
35 Sec. 6. NEW SECTION. **421.27A Perjury.**

1 1. For purposes of this title, a form, application, or any
2 other documentation required or requested by the department
3 shall be required to be certified under penalty of perjury that
4 the information contained in the form, application, or other
5 documentation is true and correct.
6 2. A person commits a class "D" felony under any of the
7 following circumstances:
8 *a.* The person makes a form, application, or other document
9 containing false information in support of an application for
10 refund, credit, exemption, reimbursement, rebate, or other
11 payment or benefit with intent to evade tax.
12 *b.* The person makes a form, application, or other document
13 containing false information with intent to unlawfully receive
14 a refund, credit, exemption, reimbursement, rebate, or other
15 payment or benefit, to which the person is not entitled.
16 *c.* The person knowingly makes any false affidavit.
17 *d.* The person knowingly swears or affirms falsely to any
18 matter or thing required by the terms of this title to be sworn
19 to or affirmed.
20 Sec. 7. NEW SECTION. **421.59 Power of attorney — authority**
21 **to act on behalf of taxpayer.**
22 1. *a.* A taxpayer may authorize an individual to act on
23 behalf of the taxpayer by filing a power of attorney with the
24 department, on a form prescribed by the department.
25 *b.* A taxpayer may at any time revoke a power of attorney
26 filed with the department pursuant to subsection 1. Upon
27 processing of the taxpayer's revocation of a power of attorney,
28 the department shall cease honoring the power of attorney.
29 2. The department may authorize the following persons to act
30 and receive information on behalf of and exercise all of the
31 rights of a taxpayer, regardless of whether a power of attorney
32 has been filed pursuant to subsection 1:
33 *a.* A guardian, conservator, or custodian appointed by a
34 court, if a taxpayer has been deemed legally incompetent by a
35 court. The authority of the appointee to act on behalf of the

1 taxpayer shall be limited to the extent specifically stated in
2 the order of appointment.
3 (1) Upon request, a guardian, conservator, or custodian of
4 a taxpayer shall submit to the department a copy of the court
5 order appointing the guardian, conservator, or custodian.
6 (2) The department may petition the court that appointed the
7 guardian, conservator, or custodian to verify the appointment
8 or to determine the scope of the appointment.
9 *b.* A receiver appointed pursuant to chapter 680. An
10 appointed receiver shall be limited to act on behalf of the
11 taxpayer by the authority stated in the order of appointment.
12 (1) Upon the request of the department, a receiver shall
13 submit to the department a copy of the court order appointing
14 the receiver.
15 (2) The department may petition the court that appointed the
16 receiver to verify the appointment or to determine the scope
17 of the appointment.
18 *c.* An individual who has been named as an authorized
19 representative on a fiduciary return of income filed under
20 section 422.14 or a tax return filed under chapter 450.
21 *d.* (1) An individual holding the following title or
22 position within a corporation, association, partnership, or
23 other business entity:
24 (a) A president or chief executive officer, or any other
25 officer of the corporation or association if the president or
26 chief executive officer certifies that the officer has the
27 authority to legally bind the corporation or association.
28 (b) A designated partner duly authorized to act on behalf
29 of the partnership.
30 (c) A person authorized to act on behalf of a limited
31 liability company in tax matters pursuant to a valid statement
32 of authority.
33 (2) An individual seeking to act on behalf of a taxpayer
34 pursuant to this paragraph shall file an affidavit with the
35 department attesting to the identity and qualifications of the

individual and any necessary certifications required under this paragraph. The department may require any documents or other evidence to demonstrate the individual has authority to act on behalf of the taxpayer before the department.

e. A licensed attorney who has appeared on behalf of the taxpayer or the taxpayer's estate in a court proceeding. Authorization under this paragraph is limited to those matters within the scope of the representation.

f. A parent or guardian of a taxpayer who has not reached the age of majority where the parent or guardian has signed the taxpayer's return on behalf of the taxpayer. Authorization under this paragraph is limited to those matters relating to the return signed by the parent or guardian. Authorization under this paragraph automatically terminates when the taxpayer reaches the age of majority pursuant to section 599.1.

3. *a.* In lieu of executing a power of attorney pursuant to subsection 1, the department may enter into a memorandum of understanding with the taxpayer for each employee, officer, or member of a third-party entity engaged with or otherwise hired by a taxpayer to manage the tax matters of the taxpayer, to permit the disclosure of confidential tax information to the third-party entity and the authority to act on behalf of the taxpayer. The memorandum of understanding shall adhere to requirements as established by the director.

b. The memorandum of understanding shall be signed by the director, the taxpayer, and the third-party entity or an authorized representative of the third-party entity.

c. At any time, a taxpayer may unilaterally revoke a memorandum of understanding entered into pursuant to this subsection by filing a notice of revocation with the department. Upon the filing of such a revocation by the taxpayer, the department shall cease honoring the memorandum of understanding.

4. The department shall adopt rules pursuant to chapter 17A to administer this section.

1 Sec. 8. Section 421.60, subsection 2, paragraph a,
2 subparagraph (2), Code 2020, is amended to read as follows:
3 (2) The statement prepared in accordance with this
4 paragraph shall be available on the department's internet site.
5 The internet site for this information shall be distributed by
6 the department to all taxpayers at the first contact by the
7 department with respect to the determination or collection of
8 any tax, except in the case of simply providing tax forms.
9 Sec. 9. Section 421.60, Code 2020, is amended by adding the
10 following new subsection:
11 NEW SUBSECTION. 11. *Electronic communication.*
12 Notwithstanding any provision of the law to the contrary, for
13 purposes of this title and sections 321.105A and 533.329, a
14 taxpayer may elect to receive any notices, correspondence,
15 or other communication electronically that the department is
16 required to send by regular mail. The director may establish
17 procedures and limitations for obtaining this election from the
18 taxpayer.
19 Sec. 10. Section 421.62, subsection 1, Code 2020, is amended
20 by adding the following new paragraph:
21 NEW PARAGRAPH. *0b. "Income tax return or claim for refund"*
22 means any tax return or claim for refund under chapter 422,
23 excluding withholding returns under section 422.16.
24 Sec. 11. Section 421.62, subsection 1, paragraph c,
25 subparagraph (1), Code 2020, is amended to read as follows:
26 (1) *"Tax return preparer"* means any individual who, for
27 a fee or other consideration, prepares ten or more income
28 tax returns or claims for refund ~~under chapter 422~~ during
29 a calendar year, or who assumes final responsibility for
30 completed work on such income tax returns or claims for refund
31 ~~under chapter 422~~ on which preliminary work has been done by
32 another individual.
33 Sec. 12. Section 421.62, subsection 2, paragraph a, Code
34 2020, is amended to read as follows:
35 *a.* On or after January 1, 2020, a tax return preparer

is required to include the tax return preparer's PTIN on any income tax return or claim for refund prepared by the tax return preparer and filed ~~under chapter 422~~ with the department.

Sec. 13. Section 421.64, subsection 1, Code 2020, is amended to read as follows:

1. For purposes of this section, *"tax return preparer"* means the same as defined in section ~~421.61~~ 421.62.

Sec. 14. Section 422.20, subsections 1 and 2, Code 2020, are amended to read as follows:

1. It shall be unlawful for any present or former officer or employee of the state to willfully or recklessly divulge or to make known in any manner whatever not provided by law to any person the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return, or to permit any income return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to willfully or recklessly print or publish in any manner whatever not provided by law any income return, or any part thereof or source of income, profits, losses, or expenditures appearing in any income return; and any person committing an offense against the foregoing provision shall be guilty of a serious misdemeanor. If the offender is an officer or employee of the state, such person shall also be dismissed from office or discharged from employment. Nothing herein shall prohibit turning over to duly authorized officers of the United States or tax officials of other states state information and income returns pursuant to agreement between the director and the secretary of the treasury of the United States or the secretary's delegate or pursuant to a reciprocal agreement with another state.

2. It is unlawful for an officer, employee, or agent, or former officer, employee, or agent of the state to willfully or recklessly disclose to any person, except as authorized

in subsection 1 of this section, any federal tax return or return information as defined in section 6103(b) of the Internal Revenue Code. It is unlawful for a person to whom any federal tax return or return information, as defined in section 6103(b) of the Internal Revenue Code, is disclosed in a manner unauthorized by subsection 1 of this section to thereafter willfully or recklessly print or publish in any manner not provided by law any such return or return information. A person violating this provision is guilty of a serious misdemeanor.

Sec. 15. Section 422.20, subsection 3, paragraph a, Code 2020, is amended to read as follows:

a. Unless otherwise expressly permitted by section 8A.504, section 8G.4, section 11.41, section 96.11, subsection 6, section 421.17, subsections 22, 23, and 26, section 421.17, subsection 27, paragraph *"k"*, section 421.17, subsection 31, section 252B.9, section 321.40, subsection 6, sections 321.120, 421.19, 421.28, 421.59, 422.72, and 452A.63, this section, or another provision of law, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

Sec. 16. Section 422.20, Code 2020, is amended by adding the following new subsections:

NEW SUBSECTION. 3A. The director may disclose the tax return of a partnership, limited liability company, or S corporation, any such return information, or any investigative information related to the return, to any person who was a partner, shareholder, or member of such an entity during any part of the period covered by the return.

NEW SUBSECTION. 3B. *a.* Prior to being made available for public inspection, the department shall redact from the record in an appeal or contested case the following information from any pleading, exhibit, attachment, motion, written evidence,

final order, decision, or opinion:

(1) A financial account number.

(2) An account number generated by the department to identify an audit or examination.

(3) A social security number.

(4) A federal employer identification number.

(5) The name of a minor.

(6) A medical record or other medical information.

b. Upon a motion filed by the taxpayer, the department may redact from the record in an appeal or contested case any other information from a pleading, exhibit, attachment, motion, or written evidence, if the taxpayer proves by clear and convincing evidence that the release of such information would disclose a trade secret or be a clear, unwarranted invasion of personal privacy.

c. Notwithstanding paragraph *"a"*, when making final orders, decisions, or opinions available for public inspection, the department may disclose the items in paragraph *"a"* if the department determines such information is necessary to the resolution or decision of the appeal or case.

d. Except as described in paragraphs *"a"* and *"b"*, all information contained in a pleading, exhibit, attachment, motion, written evidence, final order, decision, opinion, and the record in an appeal or contested case is subject to examination to the extent provided by chapter 22.

Sec. 17. Section 422.25, subsection 1, Code 2020, is amended by adding the following new paragraph:

NEW PARAGRAPH. *c.* The period of examination and determination is unlimited under this title in the case of any action by the department to recover or rescind any tax expenditure as defined by section 2.48, subsection 1, or any other incentive or assistance, due to a failure to meet or maintain the requirements of a program administered by the economic development authority.

Sec. 18. Section 422.69, subsection 1, Code 2020, is amended

to read as follows:

1. All fees, taxes, interest, and penalties imposed under this chapter shall be paid to the department in the form of remittances payable to the ~~state treasurer~~ department and the department shall transmit each payment daily to the state treasurer.

Sec. 19. Section 422.72, subsection 1, paragraph a, subparagraph (1), Code 2020, is amended to read as follows:

(1) It is unlawful for the director, or any person having an administrative duty under this chapter, or any present or former officer or other employee of the state authorized by the director to examine returns, to willfully or recklessly divulge in any manner whatever, the business affairs, operations, or information obtained by an investigation under this chapter of records and equipment of any person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to willfully or recklessly permit any return or copy of a return or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law.

Sec. 20. Section 422.72, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. *a.* Prior to being made available for public inspection, the department shall redact from the record in an appeal or contested case the following information from any pleading, exhibit, attachment, motion, written evidence, final order, decision, or opinion:

(1) A financial account number.

(2) An account number generated by the department to identify an audit or examination.

(3) A social security number.

(4) A federal employer identification number.

(5) The name of a minor.

(6) A medical record or other medical information.

1 *b.* Upon a motion filed by the taxpayer, the department
2 may redact from the record in an appeal or contested case any
3 other information from a pleading, exhibit, attachment, motion,
4 or written evidence, if the taxpayer proves by clear and
5 convincing evidence that the release of such information would
6 disclose a trade secret or be a clear, unwarranted invasion of
7 personal privacy.
8 *c.* Notwithstanding paragraph *"a"*, when making final orders,
9 decisions, or opinions available for public inspection, the
10 department may disclose the items in paragraph *"a"* if the
11 department determines such information is necessary to the
12 resolution or decision of the appeal or case.
13 *d.* Except as described in paragraphs *"a"* and *"b"*, all
14 information contained in a pleading, exhibit, attachment,
15 motion, written evidence, final order, decision, opinion,
16 and the record in an appeal or contested case is subject to
17 examination to the extent provided by chapter 22.
18 Sec. 21. Section 423.37, Code 2020, is amended by adding the
19 following new subsection:
20 NEW SUBSECTION. 4. The period of limitation on examination
21 and determination is unlimited under this title in the case
22 of any action by the department to recover or rescind any tax
23 expenditure as defined by section 2.48, subsection 1, or any
24 other incentive or assistance, due to a failure to meet or
25 maintain the requirements of a program administered by the
26 economic development authority.
27 Sec. 22. Section 428A.1, subsection 3, Code 2020, is amended
28 to read as follows:
29 3. The declaration of value shall state the full
30 consideration paid for the real property transferred. If
31 agricultural land, as defined in section 9H.1, is purchased by
32 a corporation, limited partnership, trust, alien or nonresident
33 alien, the declaration of value shall include the name and
34 address of the buyer, the name and address of the seller, a
35 legal description of the agricultural land, and identify the

buyer as a corporation, limited partnership, trust, alien, or nonresident alien. The county recorder shall not record the declaration of value, but shall enter on the declaration of value information the director of revenue requires for the production of the sales/assessment ratio study and transmit all declarations of value to the city or county assessor in whose jurisdiction the property is located. The city or county assessor shall ~~enter on the declaration of value~~ provide the information the director of revenue requires for the production of the sales/assessment ratio study ~~and transmit one copy of each declaration of value to the director of revenue,~~ at times as directed by the director of revenue. The assessor shall retain ~~one copy of each declaration of value~~ for three years from December 31 of the year in which the transfer of realty for which the declaration was filed took place. The director of revenue shall, upon receipt of the information required to be filed under this chapter by the city or county assessor, send to the office of the secretary of state that part of the declaration of value which identifies a corporation, limited partnership, trust, alien, or nonresident alien as a purchaser of agricultural land as defined in section 9H.1.

Sec. 23. Section 441.48, Code 2020, is amended to read as follows:

441.48 Notice of adjustment.

1. Before the department of revenue shall adjust the valuation of any class of property any such percentage, the department shall first serve ten days' notice by mail, on the county auditor of the county whose valuation is proposed to be adjusted. ~~The department shall hold an adjourned meeting after such~~

2. If the county or assessing jurisdiction intends to protest the proposed adjustment, the board of supervisors or city council, as applicable, shall provide the department with notice of intent to protest prior to expiration of the ten days' notice.

3. After expiration of the ten days' notice, ~~at which time~~ the county or assessing jurisdiction may appear by its city council or board of supervisors, city or county attorney, ~~and other assessing jurisdiction,~~ or city or county officials, and make written or oral protest against such proposed adjustment.

4. The protest shall consist simply of a statement of the error, or errors, complained of with such facts as may lead to their correction. ~~At the adjourned meeting~~

5. After written protest is received, or an oral protest is heard, the final action may be taken in reference to the proposed adjustment.

Sec. 24. Section 489.706, subsection 2, Code 2020, is amended to read as follows:

2. The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the ~~departments~~ department of ~~revenue and~~ workforce development. The ~~departments~~ department of ~~revenue and~~ workforce development shall report to the secretary of state the tax status of the limited liability company. If ~~either~~ the department reports to the secretary of state that a filing delinquency or liability exists against the limited liability company, the secretary of state shall not cancel the declaration of dissolution until the filing delinquency or liability is satisfied.

Sec. 25. Section 490.1422, subsection 2, paragraph a, Code 2020, is amended to read as follows:

a. The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the ~~departments~~ department of ~~revenue and~~ workforce development. The ~~departments~~ department of ~~revenue and~~ workforce development shall report to the secretary of state the tax status of the corporation. If ~~either~~ the department reports to the secretary of state that a filing delinquency or liability exists against the corporation, the secretary of state shall not cancel the certificate of

dissolution until the filing delinquency or liability is satisfied.

Sec. 26. Section 501.813, subsection 2, paragraph a, Code 2020, is amended to read as follows:

a. The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the ~~departments~~ department of ~~revenue and~~ workforce development. The ~~departments~~ department of ~~revenue and~~ workforce development shall report to the secretary of state the tax status of the cooperative. If ~~either~~ the department reports to the secretary of state that a filing delinquency or liability exists against the cooperative, the secretary of state shall not cancel the certificate of dissolution until the filing delinquency or liability is satisfied.

Sec. 27. Section 504.1423, subsection 2, paragraph a, Code 2020, is amended to read as follows:

a. The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the ~~departments~~ department of ~~revenue and~~ workforce development. The ~~departments~~ department of ~~revenue and~~ workforce development shall report to the secretary of state the tax status of the corporation. If ~~either~~ the department reports to the secretary of state that a filing delinquency or liability exists against the corporation, the secretary of state shall not cancel the certificate of dissolution until the filing delinquency or liability is satisfied.

Sec. 28. Section 533.329, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 03. Returns shall be in the form the director of revenue prescribes, and shall be filed with the department of revenue on or before the last day of the fourth month after the expiration of the tax year. The moneys and credits tax is due and payable on the last day of the fourth

month after the expiration of the tax year.

Sec. 29. Section 533.329, subsection 3, Code 2020, is amended to read as follows:

3. The department of revenue shall administer and enforce the provisions of this section, and except as explicitly provided in this section or another provision of law, shall apply all applicable penalty, interest, and administrative provisions of chapters 421 and 422 as nearly as possible in administering and enforcing the moneys and credits tax imposed by this section.

Sec. 30. LEGISLATIVE INTENT. It is the intent of the general assembly that the sections of this division amending Code sections 422.25 and 423.37 are conforming amendments consistent with current state law, and that the amendments do not change the application of current law but instead reflect current law both before and after the enactment of this division of this Act.

Sec. 31. EFFECTIVE DATE. The following, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act amending section 422.25.

2. The section of this division of this Act amending section 423.37.

Sec. 32. APPLICABILITY. The following applies to any return for which a written notice that the taxpayer is required to file such return is issued by the department on or after January 1, 2022:

The portion of the section of this division of this Act enacting section 421.27, subsection 9.

Sec. 33. APPLICABILITY. The following apply to tax years beginning on or after January 1, 2022:

1. The section of this division of this Act amending section 421.27, subsection 1.

2. The portion of the section of this division of this Act amending section 421.27, subsection 4.

3. The portion of the section of this division of this Act enacting section 421.27, subsection 8.

DIVISION II

SALES AND USE TAX

Sec. 34. Section 321G.4, subsection 2, Code 2020, is amended to read as follows:

2. *a.* The owner of the snowmobile shall file an application for registration with the department through the county recorder of the county of residence in the manner established by the commission. The application shall be completed by the owner and shall be accompanied by a fee of fifteen dollars and a writing fee as provided in section 321G.27. A snowmobile shall not be registered by the county recorder until the county recorder is presented with receipts, bills of sale, or other satisfactory evidence that the sales or use tax has been paid for the purchase of the snowmobile or that the owner is exempt from paying the tax. A snowmobile that has an expired registration certificate from another state may be registered in this state upon proper application, payment of all applicable registration and writing fees, and payment of a penalty of five dollars.

b. If the owner of the snowmobile is unable to present satisfactory evidence that the sales or use tax has been paid, the county recorder shall collect the tax. On or before the tenth day of each month, the county recorder shall remit to the department of revenue the amount of the taxes collected during the preceding month, together with an itemized statement on forms furnished by the department of revenue showing the name of each taxpayer, the make and purchase price of each snowmobile, the amount of tax paid, and such other information as the department of revenue requires.

Sec. 35. Section 321I.4, subsection 2, Code 2020, is amended to read as follows:

2. *a.* The owner of the all-terrain vehicle shall file an application for registration with the department through the

county recorder of the county of residence, or in the case of a nonresident owner, in the county of primary use, in the manner established by the commission. The application shall be completed by the owner and shall be accompanied by a fee of fifteen dollars and a writing fee as provided in section 321I.29. An all-terrain vehicle shall not be registered by the county recorder until the county recorder is presented with receipts, bills of sale, or other satisfactory evidence that the sales or use tax has been paid for the purchase of the all-terrain vehicle or that the owner is exempt from paying the tax. An all-terrain vehicle that has an expired registration certificate from another state may be registered in this state upon proper application, payment of all applicable registration and writing fees, and payment of a penalty of five dollars.

b. If the owner of the all-terrain vehicle is unable to present satisfactory evidence that the sales or use tax has been paid, the county recorder shall collect the tax. On or before the tenth day of each month, the county recorder shall remit to the department of revenue the amount of the taxes collected during the preceding month, together with an itemized statement on forms furnished by the department of revenue showing the name of each taxpayer, the make and purchase price of each all-terrain vehicle, the amount of tax paid, and such other information as the department of revenue requires.

Sec. 36. Section 423.2, subsection 6, paragraph bs, Code 2020, is amended to read as follows:

bs. Services arising from or related to installing, maintaining, servicing, repairing, operating, upgrading, or enhancing either specified digital products or software sold as tangible personal property.

Sec. 37. Section 423.2, subsection 8, paragraph d, subparagraph (1), Code 2020, is amended to read as follows:

(1) The retail sale of tangible personal property or specified digital product and a service, where the tangible personal property or specified digital product is essential

to the use of the service, and is provided exclusively in connection with the service, and the true object of the transaction is the service.

Sec. 38. Section 423.3, subsection 3A, Code 2020, is amended to read as follows:

3A. The sales price from the sale of a commercial recreation service offering the opportunity to hunt a preserve whitetail as defined in section 484C.1 if the sale occurred between July 1, 2005, and December 31, 2015.

Sec. 39. Section 423.3, subsection 31, unnumbered paragraph 1, Code 2020, is amended to read as follows:

The sales price of tangible personal property or specified digital products sold to and of services furnished to a tribal government as defined in 216A.161, or the sales price of tangible personal property or specified digital products sold to and of services furnished, and used for public purposes sold to a tax-certifying or tax-levying body of the state or a governmental subdivision of the state, including the following: regional transit systems, as defined in section 324A.1~~,~~; the state board of regents~~,~~; department of human services~~,~~; state department of transportation~~,~~; any municipally owned solid waste facility which sells all or part of its processed waste as fuel to a municipally owned public utility~~,~~; and all divisions, boards, commissions, agencies, or instrumentalities of state, federal, county, ~~or~~ municipal ~~government~~, or tribal government which have no earnings going to the benefit of an equity investor or stockholder, except any of the following:

Sec. 40. Section 423.3, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 60A. The sales price from sales of diapers eligible for medical assistance as defined in section 249A.2.

Sec. 41. Section 423.3, subsection 80, paragraphs b and c, Code 2020, are amended to read as follows:

b. Subject to the limitations in paragraph *"c"*, if a contractor, subcontractor, or builder is to use building

materials, supplies, ~~and~~ equipment, or services in the performance of a written construction contract with a designated exempt entity, the person shall purchase such items of tangible personal property or services without liability for the tax if such property or services will be used in the performance of the written construction contract and a purchasing agent authorization letter and an exemption certificate, issued by the designated exempt entity, are presented to the retailer.

c. (1) With regard to a written construction contract with a designated exempt entity described in paragraph *"a"*, subparagraph (1), the sales price of building materials, supplies, ~~or~~ equipment, or services is exempt from tax by this subsection only to the extent the building materials, supplies, ~~or~~ equipment, or services are completely consumed in the performance of the construction contract with the designated exempt entity, and only if the property that is the subject of the construction project becomes public property or the property of the designated exempt entity.

(2) With regard to a written construction contract with a designated exempt entity described in paragraph *"a"*, subparagraph (2), the sales price of building materials, supplies, ~~or~~ equipment, or services is exempt from tax by this subsection only to the extent the building materials, supplies, ~~or~~ equipment, or services are completely consumed in the performance of a construction contract to construct a project, as defined in section 15J.2, subsection 10, which project has been approved by the economic development authority board in accordance with chapter 15J.

Sec. 42. Section 423.3, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 107. The sales price from the sale of feminine hygiene products. For purposes of this subsection, *"feminine hygiene products"* means sanitary napkins, tampons, or other similar items used for feminine hygiene.

Sec. 43. Section 423.4, subsection 1, Code 2020, is amended to read as follows:

1. *a.* For purposes of this subsection, a *"designated exempt entity"* means any of the following:

(1) A private nonprofit educational institution in this state~~,~~.

(2) A nonprofit Iowa affiliate of a nonprofit international organization whose primary activity is the promotion of the construction, remodeling, or rehabilitation of one-family or two-family dwellings for low-income families~~,~~.

(3) A nonprofit private museum in this state~~,~~.

(4) A tax-certifying or tax-levying body or governmental subdivision of the state, including the state board of regents, state department of human services, state department of transportation~~, a~~.

(5) A municipally owned solid waste facility which sells all or part of its processed waste as fuel to a municipally owned public utility~~, and all~~.

(6) The state of Iowa.

(7) Any political subdivision of the state.

(8) All divisions, boards, commissions, agencies, or instrumentalities of state, federal, county, or municipal government which do not have earnings going to the benefit of an equity investor or stockholder~~,~~.

(9) A tribal government as defined in section 216A.161, and any instrumentalities of the tribal government which do not have earnings going to the benefit of an equity investor or stockholder.

b. A designated exempt entity may ~~make application~~ apply to the department for the refund of the sales or use tax upon the sales price of all sales of ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or from services furnished to a contractor, used in the ~~fulfillment~~ performance of a written contract with the ~~state of Iowa, any political subdivision of the state, or a division, board, commission,~~

~~agency, or instrumentality of the state or a political subdivision, a private nonprofit educational institution in this state, a nonprofit Iowa affiliate described in this subsection, or a nonprofit private museum in this state if the property becomes an integral part of the project under contract and at the completion of the project becomes public property, is devoted to educational uses, becomes part of a low-income one-family or two-family dwelling in the state, or becomes a nonprofit private museum; except goods, wares, or merchandise,~~ designated exempt entity if all of the following apply:

(1) The building materials, supplies, equipment, or services are completely consumed in the performance of a construction project with the designated entity.

(2) The property that is subject of the construction project becomes public property or the property of an exempt entity.

(3) The building materials, supplies, equipment, or services furnished ~~which~~ are not used in the performance of any contract in connection with the operation of any municipal utility engaged in selling gas, electricity, or heat to the general public or in connection with the operation of a municipal pay television system; and ~~except goods, wares, and merchandise~~ are not used in the performance of a contract for a "project" under chapter 419 as defined in that chapter other than goods, wares, or merchandise used in the performance of a contract for a "project" under chapter 419 for which a bond issue was approved by a municipality prior to July 1, 1968, or for which the goods, wares, or merchandise becomes an integral part of the project under contract and at the completion of the project becomes public property or is devoted to educational uses.

~~a.~~ *c.* ~~Such~~ A contractor shall state under oath, on forms provided by the department, the amount of such sales of goods, wares, or merchandise, or services furnished and used in the performance of such contract, and upon which sales or use tax has been paid, and shall file such forms with the ~~governmental~~

~~unit, private nonprofit educational institution, nonprofit Iowa affiliate, or nonprofit private museum~~ designated exempt entity which has made any written contract for performance by the contractor. The forms shall be filed by the contractor with the ~~governmental unit, educational institution, nonprofit Iowa affiliate, or nonprofit private museum~~ designated exempt entity before final settlement is made.

~~b.~~ *d.* ~~Such governmental unit, educational institution, nonprofit Iowa affiliate, or nonprofit private museum~~ A designated exempt entity shall, not more than one year after the final settlement has been made, ~~make application~~ apply to the department for any refund of the amount of the sales or use tax which shall have been paid upon any ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or services furnished, the application to be made in the manner and upon forms to be provided by the department, and the department shall forthwith audit the claim and, if approved, issue a warrant to the ~~governmental unit, educational institution, nonprofit Iowa affiliate, or nonprofit private museum~~ designated exempt entity in the amount of the sales or use tax which has been paid to the state of Iowa under the contract.

~~c.~~ *e.* Refunds authorized under this subsection shall accrue interest in accordance with section 421.60, subsection 2, paragraph *"e"*.

~~d.~~ *f.* Any contractor who willfully makes a false report of tax paid under the provisions of this subsection is guilty of a simple misdemeanor and in addition shall be liable for the payment of the tax and any applicable penalty and interest.

Sec. 44. Section 423.4, subsection 2, paragraphs a and b, Code 2020, are amended to read as follows:

a. A contractor awarded a contract for a transportation construction project is considered the consumer of all building materials, building supplies, ~~and~~ equipment, and services and shall pay sales tax to the supplier or remit consumer use tax

directly to the department.

b. The contractor is not required to file information with the state department of transportation stating the amount of ~~goods, wares, or merchandise, or services rendered, furnished, or performed and~~ building materials, supplies, equipment, or services used in the performance of the contract or the amount of sales or use tax paid.

Sec. 45. Section 423.4, subsection 6, paragraph a, subparagraph (1), Code 2020, is amended to read as follows:

(1) The owner of a collaborative educational facility in this state may make application to the department for the refund of the sales or use tax upon the sales price of all sales of ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or from services furnished to a contractor, used in the fulfillment of a written construction contract with the owner of the collaborative educational facility for the original construction, or additions or modifications to, a building or structure to be used as part of the collaborative educational facility.

Sec. 46. Section 423.4, subsection 6, paragraphs b and c, Code 2020, are amended to read as follows:

b. ~~Such~~ A contractor shall state under oath, on forms provided by the department, the amount of such sales of ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or services furnished and used in the performance of such contract, and upon which sales or use tax has been paid, and shall file such forms with the owner of the collaborative educational facility which has made any written contract for performance by the contractor.

c. (1) The owner of the collaborative educational facility shall, not more than one year after the final settlement has been made, make application to the department for any refund of the amount of the sales or use tax which shall have been paid upon any ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or services furnished, the application

to be made in the manner and upon forms to be provided by the department, and the department shall forthwith audit the claim and, if approved, issue a warrant to the owner of the collaborative educational facility in the amount of the sales or use tax which has been paid to the state of Iowa under the contract.

(2) Refunds authorized under this subsection shall accrue interest in accordance with section 421.60, subsection 2, paragraph *"e"*.

Sec. 47. Section 423.5, subsection 1, paragraph b, Code 2020, is amended by striking the paragraph.

Sec. 48. Section 423.29, subsection 1, Code 2020, is amended to read as follows:

1. Every seller who is a retailer and who is making taxable sales of tangible personal property or specified digital products in Iowa <u>or who is a retailer maintaining a place of business in this state making taxable sales of tangible personal property or specified digital products</u> shall, at the time of making the sale, collect the sales tax. ~~Every seller who is a retailer that is not otherwise required to collect sales tax under the provisions of this chapter and who is selling tangible personal property or specified digital products for use in Iowa shall, at the time of making the sale, whether within or without the state, collect the use tax.~~ Sellers required to collect sales or use tax shall give to any purchaser a receipt for the tax collected in the manner and form prescribed by the director.

Sec. 49. Section 423.33, subsection 1, Code 2020, is amended to read as follows:

1. *Liability of purchaser ~~for sales tax~~ <u>and retailer</u>.*

<u>*a.*</u> If a purchaser fails to pay sales tax to the retailer required to collect the tax, then in addition to all of the rights, obligations, and remedies provided, ~~the~~ <u>a use</u> tax is payable by the purchaser directly to the department, and sections 423.31, 423.32, 423.37, 423.38, 423.39, 423.40,

423.41, and 423.42 apply to the purchaser.

b. For failure to pay the sales or use tax as described in paragraph *"a"*, the retailer and purchaser are jointly liable, unless the circumstances described in section 29C.24, subsection 3, paragraph *"a"*, subparagraph (2), section 421.60, subsection 2, paragraph *"m"*, section 423.34A, or section 423.45, subsection 4, paragraph *"b"* or *"e"*, or subsection 5, paragraph *"c"* or *"e"*, are applicable.

c. If the retailer fails to collect sales tax at the time of the transaction, the retailer shall thereafter remit the applicable sales tax, or the purchaser thereafter shall remit the applicable use tax. If the purchaser remits all applicable use tax, the retailer remains liable for any local sales and services tax under chapter 423B that the retailer failed to collect.

Sec. 50. REFUNDS RELATED TO PRESERVE WHITETAIL DEER HUNTING. Refunds of taxes, interest, or penalties that arise from claims resulting from the amendment of section 423.3, subsection 3A, for sales occurring between July 1, 2005, and the effective date of the amendment to section 423.3, subsection 3A, shall not be allowed, notwithstanding any other law to the contrary.

Sec. 51. LEGISLATIVE INTENT.

1. It is the intent of the general assembly that the section of this division of this Act amending section 423.29 is a conforming amendment consistent with current state law, and that the amendment does not change the application of current law but instead reflects current law both before and after the enactment of this division of this Act.

2. It is the intent of the general assembly that the addition of "jointly" in the section of this division of this Act amending section 423.33 is a conforming amendment consistent with current state law, and that the amendment does not change the application of current law but instead reflects current law both before and after the enactment of

this division of this Act.

Sec. 52. EFFECTIVE DATE. The following, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act amending section 423.3, subsection 3A.

2. The section of this division of this Act relating to refunds for commercial recreation services offering an opportunity to hunt preserve whitetail deer.

Sec. 53. RETROACTIVE APPLICABILITY. The following applies retroactively to July 1, 2005:

The section of this division of this Act amending section 423.3, subsection 3A.

DIVISION III

INCOME TAX

Sec. 54. Section 422.9, subsection 3, paragraph c, Code 2020, is amended by striking the paragraph and inserting in lieu thereof the following:

c. A taxpayer may elect to waive the entire carryback period with respect to an Iowa net operating loss for any taxable year beginning on or after January 1, 2020. The election shall be made in the manner and form prescribed by the department, and shall be made by the due date for filing the taxpayer's Iowa return, including extensions of time. After the election is made for any taxable year, the election shall be irrevocable for such taxable year. When an election has been properly made, the Iowa net operating loss shall be carried forward twenty taxable years.

Sec. 55. Section 422.9, subsection 3, paragraph d, Code 2020, is amended to read as follows:

d. Notwithstanding paragraph *"a"*, for a taxpayer who is engaged in the trade or business of farming, which means the same as a *"farming business"* as defined in section 263A(e)(4) of the Internal Revenue Code, and has a farming loss ~~from farming~~ as defined in section 172(b)(1)(B) of the Internal Revenue Code including modifications prescribed by rule by the director,

the Iowa farming loss ~~from the trade or business of farming~~ is a net operating loss which may, at the time of the election of the taxpayer, be carried back five taxable years prior to the taxable year of the loss. The election shall be made in the manner and form prescribed by the department, and shall be made by the due date for filing the taxpayer's return, including extensions of time. After the election is made for any taxable year, the election shall be irrevocable for such taxable year.

Sec. 56. APPLICABILITY. This division of this Act applies to tax years beginning on or after January 1, 2020.

DIVISION IV

SCHOOL TUITION TAX CREDIT — FUNDING

Sec. 57. Section 422.11S, subsection 8, paragraph a, subparagraph (2), Code 2020, is amended to read as follows:

(2) (a) *"Total approved tax credits"* means for the 2006 calendar year, two million five hundred thousand dollars, for the 2007 calendar year, five million dollars, for calendar years beginning on or after January 1, 2008, but before January 1, 2012, seven million five hundred thousand dollars, for calendar years beginning on or after January 1, 2012, but before January 1, 2014, eight million seven hundred fifty thousand dollars, for calendar years beginning on or after January 1, 2014, but before January 1, 2019, twelve million dollars, and for calendar years beginning on or after January 1, 2019, but before January 1, 2020, thirteen million dollars, and for calendar years beginning on or after January 1, 2020, fifteen million dollars.

(b) (i) During any calendar year beginning on or after January 1, 2022, if the amount of awarded tax credits from the preceding calendar year are equal to or greater than ninety percent of the total approved tax credits for the current calendar year, the total approved tax credits for the current calendar year shall equal the product of ten percent multiplied by the total approved tax credits for the current calendar year plus the total approved tax credits for the current calendar

year.

(ii) If total approved tax credits are recomputed pursuant to subparagraph subdivision (i), the total approved tax credits shall equal the previous total approved tax credits recomputed pursuant to subparagraph subdivision (i) for purposes of future recomputations under subparagraph subdivision (i), provided that the maximum total approved tax credits recomputed pursuant to this subparagraph division (b) shall not exceed twenty million dollars in a calendar year.

DIVISION V

RESEARCH ACTIVITIES CREDIT

Sec. 58. Section 15.335, subsection 4, paragraph a, Code 2020, is amended to read as follows:

a. In lieu of the credit amount computed in subsection 2, an eligible business may elect to compute the credit amount for qualified research expenses incurred in this state in a manner consistent with the alternative simplified credit described in section ~~41(c)(5)~~ 41(c)(4) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

Sec. 59. Section 15.335, subsection 4, paragraph b, unnumbered paragraph 1, Code 2020, is amended to read as follows:

For purposes of the alternate credit computation method in paragraph *"a"*, the credit percentages applicable to qualified research expenses described in section ~~41(c)(5)(A)~~ 41(c)(4)(A) and clause (ii) of section ~~41(c)(5)(B)~~ 41(c)(4)(B) of the Internal Revenue Code are as follows:

Sec. 60. Section 422.10, subsection 1, paragraphs c and d, Code 2020, are amended to read as follows:

c. In lieu of the credit amount computed in paragraph *"b"*, subparagraph (1), subparagraph division (a), a taxpayer may elect to compute the credit amount for qualified research

expenses incurred in this state in a manner consistent with the alternative simplified credit described in section ~~41(c)(5)~~ 41(c)(4) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

d. For purposes of the alternate credit computation method in paragraph *"c"*, the credit percentages applicable to qualified research expenses described in section ~~41(c)(5)(A)~~ 41(c)(4)(A) and clause (ii) of section ~~41(c)(5)(B)~~ 41(c)(4)(B) of the Internal Revenue Code are four and fifty-five hundredths percent and one and ninety-five hundredths percent, respectively.

Sec. 61. Section 422.33, subsection 5, paragraphs c and d, Code 2020, are amended to read as follows:

c. In lieu of the credit amount computed in paragraph *"a"*, subparagraph (1), a corporation may elect to compute the credit amount for qualified research expenses incurred in this state in a manner consistent with the alternative simplified credit described in section ~~41(c)(5)~~ 41(c)(4) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

d. For purposes of the alternate credit computation method in paragraph *"c"*, the credit percentages applicable to qualified research expenses described in section ~~41(c)(5)(A)~~ 41(c)(4)(A) and clause (ii) of section ~~41(c)(5)(B)~~ 41(c)(4)(B) of the Internal Revenue Code are four and fifty-five hundredths percent and one and ninety-five hundredths percent, respectively.

Sec. 62. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 63. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2019, for tax years beginning on or after that date.

DIVISION VI

PARTNERSHIP AND PASS-THROUGH ENTITY AUDITS AND REPORTING OF FEDERAL ADJUSTMENTS

Sec. 64. Section 421.27, subsection 2, paragraph c, Code 2020, is amended to read as follows:

c. (1) ~~The~~ Except in the case of a final federal partnership adjustment governed by subparagraph (2), the taxpayer ~~provides written notification to the department of a federal audit while it is in progress and~~ voluntarily files an amended return which includes a copy of the federal document showing the final disposition or final federal adjustments and pays any additional Iowa tax due within ~~sixty~~ one hundred eighty days of the final ~~disposition~~ determination date of the federal government's audit. For purposes of this subparagraph, "*final determination date*" means the same as defined in section 422.25.

(2) (a) In the case of a final federal partnership adjustment arising from a partnership level audit, with respect to the audited partnership or a direct partner or indirect partner of the audited partnership, the audited partnership, direct partner, or indirect partner voluntarily and timely complies with its reporting and payment requirements under section 422.25A, subsection 4 or 5.

(b) As used in this subparagraph, all words and phrases defined in section 422.25A shall have the same meaning given them by that section.

Sec. 65. Section 422.7, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 59. Any income subtracted from federal taxable income for an adjustment year pursuant to section 6225 of the Internal Revenue Code and the regulations thereunder shall be added back in computing net income for state tax

1 purposes for the adjustment year.
2 Sec. 66. Section 422.25, subsections 1 and 2, Code 2020,
3 are amended by striking the subsections and inserting in lieu
4 thereof the following:
5 1. *a.* For purposes of this subsection:
6 (1) *"Federal adjustment"* means a change to an item or amount
7 required to be determined under the Internal Revenue Code and
8 the regulations thereunder that is used by the taxpayer to
9 compute state tax owed whether such change results from action
10 by the internal revenue service, or the filing of a timely
11 amended federal return or timely federal refund claim. A
12 federal adjustment is positive to the extent that it increases
13 Iowa taxable income as determined under this title and is
14 negative to the extent that it decreases Iowa taxable income
15 as determined under this title.
16 (2) *"Federal adjustments report"* means the method or form
17 required by the department by rule to report final federal
18 adjustments or final federal partnership adjustments as defined
19 in section 422.25A, and in the case of any entity taxed as a
20 partnership or S corporation for federal income tax purposes,
21 identifies all owners that hold an interest directly in such
22 entity and provides the effect of the final federal adjustments
23 on such owner's Iowa income.
24 (3) *"Final determination date"* means the following:
25 (a) Except as provided in subparagraph divisions (b) and
26 (c), for federal adjustments arising from an internal revenue
27 service audit or other action by the internal revenue service,
28 the final determination date is the first day on which no
29 federal adjustments arising from that audit or other action
30 remain to be finally determined, whether by internal revenue
31 service decision with respect to which all rights of appeal
32 have been waived or exhausted, by agreement, or, if appealed
33 or contested, by a final decision with respect to which all
34 rights of appeal have been waived or exhausted. For agreements
35 required to be signed by the internal revenue service and the

1 taxpayer, the final determination date is the date on which the
2 last party signed the agreement.
3 (b) For federal adjustments arising from an internal
4 revenue service audit or other action by the internal revenue
5 service, if the taxpayer filed as a member of a consolidated
6 return under section 422.37, the final determination date
7 is the first day on which no related federal adjustments
8 arising from that audit or other action remain to be finally
9 determined, as described in subparagraph division (a), for the
10 entire group.
11 (c) For federal adjustments arising from a timely filed
12 amended federal return or a timely filed federal refund
13 claim, or if it is a federal adjustment reported on a timely
14 amended federal return or other similar report filed pursuant
15 to section 6225(c) of the Internal Revenue Code, the final
16 determination date is the day on which the amended return,
17 refund claim, or other similar report was filed.
18 (4) *"Final federal adjustment"* means a federal adjustment
19 after the final determination date for that federal adjustment
20 has passed.
21 *b.* Within three years after the return is filed or within
22 three years after the return became due, including any
23 extensions of time for filing, whichever time is the later,
24 the department shall examine the return and determine the tax.
25 However, if the taxpayer omits from income an amount which
26 will, under the Internal Revenue Code, extend the statute of
27 limitations for assessment of federal tax to six years under
28 the federal law, the period for examination and determination
29 is six years.
30 *c.* The period for examination and determination of the
31 correct amount of tax is unlimited in the case of a false or
32 fraudulent return made with the intent to evade tax or in the
33 case of a failure to file a return.
34 *d.* In lieu of the period of limitation for any prior year
35 for which an overpayment of tax or an elimination or reduction

1 of an underpayment of tax due for that prior year results from
2 the carryback to that prior year of a net operating loss or
3 net capital loss, the period is the period of limitation for
4 the taxable year of the net operating loss or net capital loss
5 which results in the carryback.
6 *e.* (1) In addition to the applicable period of limitation
7 for examination and determination in paragraph *"b"*, *"c"*, or *"d"*,
8 the department may make an examination and determination at any
9 time within one year from the date of receipt by the department
10 of a federal adjustments report with respect to a final
11 federal adjustment or final federal partnership adjustment
12 as defined in section 422.25A for a particular tax year. In
13 order to begin the running of the one-year period, the federal
14 adjustments report related to the final federal adjustment or
15 final federal partnership adjustment shall be transmitted to
16 the department by the taxpayer in the form and manner specified
17 by the department by rule.
18 (2) The department in its discretion may adopt rules to
19 establish a de minimis amount for which subparagraph (1) shall
20 not apply and the taxpayer shall not be required to file a
21 federal adjustments report.
22 (3) The department may in its discretion and when
23 administratively feasible adopt a process through rule by
24 which a taxpayer may make estimated payments of tax expected
25 to result from a pending internal revenue service audit
26 prior to the filing of a federal adjustments report with the
27 department. The process shall provide that the estimated
28 tax payments shall be credited against any tax liability
29 ultimately found to be due to the state from the internal
30 revenue service audit and will limit the accrual of further
31 statutory interest on that liability. The process shall also
32 provide that if the estimated tax payments exceed the final
33 tax liability and statutory interest ultimately determined to
34 be due, the taxpayer is entitled to a refund or credit for
35 the excess, without interest, provided the taxpayer files a

1 federal adjustments report, or a claim for refund or credit of
2 tax under section 422.73, no later than one year following the
3 final determination date.
4 2. *a.* If the tax found due under subsection 1 is greater
5 than the amount paid, the department shall compute the amount
6 due, together with interest and penalties as provided in
7 paragraph *"b"*, and shall mail a notice of assessment to the
8 taxpayer and, if applicable, to the taxpayer's authorized
9 representative of the total, which shall be computed as a sum
10 certain, with interest computed to the last day of the month
11 in which the notice is dated.
12 *b.* In addition to the tax or additional tax determined
13 by the department under subsection 1, the taxpayer shall pay
14 interest on the tax or additional tax at the rate in effect
15 under section 421.7 for each month counting each fraction of
16 a month as an entire month, computed from the date the return
17 was required to be filed. In addition to the tax or additional
18 tax, the taxpayer shall pay a penalty as provided in section
19 421.27.
20 Sec. 67. NEW SECTION. **422.25A Reporting and treatment of**
21 **certain partnership adjustments.**
22 1. *Definitions.* As used in this section and sections
23 422.25B and 422.25C, unless the context otherwise requires:
24 *a. "Administrative adjustment request"* means the same as
25 provided in section 6227 of the Internal Revenue Code.
26 *b. "Audited partnership"* means a partnership subject
27 to a final federal partnership adjustment resulting from a
28 partnership level audit.
29 *c. "C corporation"* means an entity that elects or is
30 required to be taxed as a corporation under title 26, chapter
31 1, subchapter A, part 2, of the Internal Revenue Code.
32 *d. "Corporate partner"* means a C corporation partner that is
33 subject to tax pursuant to section 422.33.
34 *e. "Direct partner"* means a person that holds an interest
35 directly in a partnership or pass-through entity.

1 *f. "Exempt partner"* means a partner that is exempt from
2 taxation pursuant to section 422.34.
3 *g. "Federal adjustments report"* means the same as defined
4 in section 422.25.
5 *h. "Federal partnership adjustment"* means a change to an
6 item or amount required to be determined under the Internal
7 Revenue Code and the regulations thereunder that is used by a
8 partnership and its direct and indirect partners to compute
9 state tax owed for the reviewed year where such change results
10 from a partnership level audit or an administrative adjustment
11 request. A federal partnership adjustment is positive to the
12 extent that it increases Iowa taxable income as determined
13 under this title and is negative to the extent that it
14 decreases Iowa taxable income as determined under this title.
15 A federal adjustment reported on an amended federal return
16 or other similar report filed pursuant to section 6225(c) of
17 the Internal Revenue Code shall not be considered a federal
18 partnership adjustment for purposes of this section.
19 *i. "Federal partnership representative"* means the person
20 the partnership designates for the taxable year as the
21 partnership's representative, or the person the internal
22 revenue service has appointed to act as the federal partnership
23 representative, pursuant to section 6223(a) of the Internal
24 Revenue Code and the regulations thereunder.
25 *j. "Fiduciary partner"* means a partner that is a fiduciary
26 that is subject to tax pursuant to sections 422.5 and 422.6.
27 *k. "Final determination date"* means any one of the following
28 dates:
29 (1) In the case of a federal partnership adjustment that
30 arises from a partnership level audit, the first day on which
31 no federal adjustments arising from that audit remain to be
32 finally determined, whether by agreement, or, if appealed
33 or contested, by a final decision with respect to which all
34 rights of appeal have been waived or exhausted. For agreements
35 required to be signed by the internal revenue service and the

1 audited partnership, the final determination date is the date
2 on which the last party signed the agreement.
3 (2) In the case of a federal partnership adjustment that
4 results from a timely filed administrative adjustment request,
5 the day on which the administrative adjustment request was
6 filed with the internal revenue service.
7 *l. "Final federal partnership adjustment"* means a federal
8 partnership adjustment after the final determination date for
9 that federal partnership adjustment has passed.
10 *m. "Indirect partner"* means a partner in a partnership or
11 pass-through entity where such partnership or pass-through
12 entity itself holds an interest directly, or through another
13 indirect partner, in a partnership or pass-through entity.
14 *n. "Individual partner"* means a partner who is a natural
15 person that is subject to tax pursuant to section 422.5.
16 *o. "Nonresident partner"* means a partner that is not a
17 resident partner as defined in this subsection.
18 *p. "Partner"* means a person that holds an interest, directly
19 or indirectly, in a partnership or pass-through entity.
20 *q. "Partnership"* means an entity subject to taxation
21 under subchapter K of the Internal Revenue Code and the
22 regulations thereunder and includes but is not limited to a
23 syndicate, group, pool, joint venture, or other unincorporated
24 organization through or by means of which any business,
25 financial operation, or venture is carried on and which is
26 not, within the meaning of this chapter, a trust, estate, or
27 corporation.
28 *r. "Partnership level audit"* means an examination by the
29 internal revenue service at the partnership level pursuant to
30 subchapter C, title 26, subtitle F, chapter 63, of the Internal
31 Revenue Code, as enacted by the Bipartisan Budget Act of 2015,
32 Pub. L. No. 114-74, and as amended, which results in final
33 federal partnership adjustments initiated and made by the
34 internal revenue service.
35 *s. "Pass-through entity"* means an entity, other than

1 a partnership, that is not subject to tax under section
2 422.33 for C corporations but excluding an exempt partner.
3 *"Pass-through entity"* includes but is not limited to S
4 corporations, estates, and trusts other than grantor trusts.
5 *t. "Reallocation adjustment"* means a final federal
6 partnership adjustment that changes the shares of items of
7 partnership income, gain, loss, expense, or credit allocated
8 to a partner that holds an interest directly in a partnership
9 or pass-through entity. A positive reallocation adjustment
10 means the portion of a reallocation adjustment that would
11 increase Iowa taxable income for such partners, and a negative
12 reallocation adjustment means the portion of a reallocation
13 adjustment that would decrease Iowa taxable income for such
14 partners.
15 *u. "Resident partner"* means any of the following:
16 (1) For an individual partner, a *"resident"* as defined in
17 section 422.4.
18 (2) For a fiduciary partner, one with situs in Iowa.
19 (3) For all other partners, a partner whose headquarters or
20 principal place of business is located in Iowa.
21 *v. "Reviewed year"* means the taxable year of a partnership
22 that is subject to a partnership level audit from which final
23 federal partnership adjustments arise, or otherwise means the
24 taxable year of the partnership or pass-through entity that is
25 the subject of a state partnership audit.
26 *w. "State partnership audit"* means an examination by the
27 director at the partnership or pass-through entity level which
28 results in adjustments to partnership or pass-through entity
29 related items or reallocations of income, gains, losses,
30 expenses, credits, and other attributes among such partners for
31 the reviewed year.
32 *x. "Tiered partner"* means any partner that is a partnership
33 or pass-through entity.
34 *y. "Unrelated business income"* means the income which is
35 defined in section 512 of the Internal Revenue Code and the

1 regulations thereunder.
2 2. *Application.* Partnerships and their direct partners
3 and indirect partners shall report final federal partnership
4 adjustments as provided in this section.
5 3. *State partnership representative.* Notwithstanding any
6 other law to the contrary, the state partnership representative
7 for the reviewed year shall have the sole authority to act on
8 behalf of the partnership or pass-through entity with respect
9 to an action required or permitted to be taken by a partnership
10 or pass-through entity under this section or section 422.28 or
11 422.29 with respect to final federal partnership adjustments
12 arising from a partnership level audit or an administrative
13 adjustment request, and its direct partners and indirect
14 partners shall be bound by those actions.
15 4. *Reporting and payment requirements for audited*
16 *partnerships and their partners subject to final federal*
17 *partnership adjustments.*
18 *a.* Unless an audited partnership makes the election in
19 subsection 5, the audited partnership shall do all of the
20 following for all final federal partnership adjustments no
21 later than ninety days after the final determination date of
22 the audited partnership:
23 (1) File a completed federal adjustments report.
24 (2) Notify each direct partner of such partner's
25 distributive share of the adjustments in the manner and form
26 prescribed by the department by rule.
27 (3) File an amended composite return under section 422.13
28 if one was originally filed, and if applicable for withholding
29 from partners, file an amended withholding report under
30 section 422.16, and pay the additional amount under this title
31 that would have been due had the final federal partnership
32 adjustments been reported properly as required, including any
33 applicable interest and penalties.
34 *b.* Unless an audited partnership paid an amount on behalf
35 of the direct partners of the audited partnership pursuant to

subsection 5, all direct partners of the audited partnership shall do all of the following no later than one hundred eighty days after the final determination date of the audited partnership:

(1) File a completed federal adjustments report reporting the direct partner's distributive share of the adjustments required to be reported to such partners under paragraph "*a*".

(2) If the direct partner is a tiered partner, notify all partners that hold an interest directly in the tiered partner of such partner's distributive share of the adjustments in the manner and form prescribed by the department by rule.

(3) If the direct partner is a tiered partner and subject to section 422.13, file an amended composite return under section 422.13 if such return was originally filed, and if applicable for withholding from partners file an amended withholding report under section 422.16 if one was originally required to be filed.

(4) Pay any additional amount under this title that would have been due had the final federal partnership adjustments been reported properly as required, including any applicable penalty and interest.

c. Unless a partnership or tiered partner paid an amount on behalf of the partners pursuant to subsection 5, each indirect partner shall do all of the following:

(1) Within ninety days after the time for filing and furnishing statements to tiered partners and their partners as established by section 6226 of the Internal Revenue Code and the regulations thereunder, file a completed federal adjustments report.

(2) If the indirect partner is a tiered partner, within ninety days after the time for filing and furnishing statements to tiered partners and their partners as established by section 6226 of the Internal Revenue Code and the regulations thereunder but within sufficient time for all indirect partners to also complete the requirements of this subsection, notify

all of the partners that hold an interest directly in the tiered partner of such partner's distributive share of the adjustments in the manner and form prescribed by the department by rule.

(3) Within ninety days after the time for filing and furnishing statements to tiered partners and their partners as established by section 6226 of the Internal Revenue Code and the regulations thereunder, if the indirect partner is a tiered partner and subject to section 422.13, file an amended composite return under section 422.13 if such return was originally filed, and if applicable for withholding from partners, file an amended withholding report under section 422.16 if one was originally required to be filed.

(4) Within ninety days after the time for filing and furnishing statements to tiered partners and the partners of the tiered partners as established by section 6226 of the Internal Revenue Code and the regulations thereunder, pay any additional amount due under this title, including any penalty and interest that would have been due had the final federal partnership adjustments been reported properly as required.

5. *Election for partnership or tiered partners to pay.*

a. An audited partnership, or a tiered partner that receives a notification of a final federal partnership adjustment under subsection 4, may make an election to pay as provided under this subsection.

b. An audited partnership or tiered partner makes an election to pay under this subsection by filing a completed federal adjustments report, notifying the department in the manner and form prescribed by the department that it is making the election under this subsection, notifying each of the direct partners of such partner's distributive share of the adjustments, and paying on behalf of its partners an amount calculated in paragraph "*c*", including any applicable penalty and interest. These requirements shall all be fulfilled within one of the following time periods:

1 (1) For the audited partnership, no later than ninety days
2 after the final determination date of the audited partnership.
3 (2) For a direct tiered partner, no later than one hundred
4 eighty days after the final determination date of the audited
5 partnership.
6 (3) For an indirect tiered partner, within ninety days
7 after the time for filing and furnishing statements to a
8 tiered partner and the partner of the tiered partner, as
9 established by section 6226 of the Internal Revenue Code and
10 the regulations thereunder.
11 *c.* The amount due under this subsection from an audited
12 partnership or tiered partner shall be calculated as follows:
13 (1) Exclude from final federal partnership adjustments and
14 any positive reallocation adjustments the distributive share
15 of such adjustments reported to an exempt partner that holds
16 an interest directly in the audited partnership if the audited
17 partnership is making the election or that holds an interest
18 directly in the tiered partner if the tiered partner is making
19 the election, but only to the extent the distributive share is
20 not unrelated business income.
21 (2) Determine the total distributive share of all final
22 federal partnership adjustments and positive reallocation
23 adjustments as modified by this title that are reported to
24 corporate partners, and to exempt partners to the extent the
25 distributive share is unrelated business income, and allocate
26 and apportion such adjustments as provided in section 422.33
27 at the partnership or tiered partner level, and multiply the
28 resulting amount by the maximum state corporate income tax rate
29 pursuant to section 422.33 for the reviewed year.
30 (3) Determine the total distributive share of all final
31 federal partnership adjustments and positive reallocation
32 adjustments as modified by this title that are reported to
33 nonresident individual partners and nonresident fiduciary
34 partners and allocate and apportion such adjustments as
35 provided in section 422.33 at the partnership or tiered

1 partner level, and multiply the resulting amount by the maximum
2 individual income tax rate pursuant to section 422.5A for the
3 reviewed year.
4 (4) For the total distributive share of all final federal
5 partnership adjustments and positive reallocation adjustments
6 as modified by this title that are reported to tiered partners:
7 (a) Determine the amount of such adjustments which are of a
8 type that would be subject to sourcing to Iowa under section
9 422.8, subsection 2, paragraph *"a"*, as a nonresident, and then
10 determine the portion of this amount that would be sourced to
11 Iowa under those provisions as if the tiered partner were a
12 nonresident.
13 (b) Determine the amount of such adjustments which are of
14 a type that would not be subject to sourcing to Iowa under
15 section 422.8, subsection 2, paragraph *"a"*, as a nonresident.
16 (c) Determine the portion of the amount in subparagraph
17 division (b) that can be established, as prescribed by the
18 department by rule, to be properly allocable to indirect
19 partners that are nonresident partners or other partners not
20 subject to tax on the adjustments.
21 (d) Multiply the total of the amounts determined in
22 subparagraph divisions (a) and (b), reduced by any amount
23 determined in subparagraph division (c), by the highest
24 individual income tax rate pursuant to section 422.5A for the
25 reviewed year.
26 (5) For the total distributive share of all final federal
27 partnership adjustments and positive reallocation adjustments
28 as modified by this title that are reported to resident
29 individual partners and resident fiduciary partners, multiply
30 that amount by the highest individual income tax rate pursuant
31 to section 422.5A for the reviewed year.
32 (6) Total the amounts computed pursuant to subparagraphs
33 (2) through (5) and calculate any interest and penalty as
34 provided under this title. Notwithstanding any provision of
35 law to the contrary, interest and penalties on the amount due

1 by the audited partnership or tiered partner shall be computed
2 from the day after the due date of the reviewed year return
3 without extension, and shall be imposed as if the audited
4 partnership or tiered partner was required to pay tax or show
5 tax due on the original return for the reviewed year.
6 *d.* Adjustments subject to the election in this subsection
7 do not include any adjustments arising from an administrative
8 adjustment request.
9 *e.* An audited partnership or tiered partner not otherwise
10 subject to any reporting or payment obligation to Iowa that
11 makes an election under this subsection consents to be subject
12 to the Iowa laws related to reporting, assessment, collection,
13 and payment of Iowa tax, interest, and penalties calculated
14 under the election.
15 6. *Modified reporting and payment method.* The department may
16 adopt procedures for an audited partnership or tiered partner
17 to enter into an agreement with the department to use an
18 alternative reporting and payment method, including applicable
19 time requirements or any other provision of this section. The
20 audited partnership or tiered partner must demonstrate that
21 the requested method will reasonably provide for the reporting
22 and payment of taxes, penalties, and interest due under the
23 provisions of this section. Application for approval of an
24 alternative reporting and payment method must be made by the
25 audited partnership or tiered partner within the time for
26 making an election to pay under subsection 5 and in the manner
27 prescribed by the department. Approval of such an alternative
28 reporting and payment method shall be at the discretion of the
29 department.
30 7. *Effect of election by partnership or tiered partner and*
31 *payment of amount due.*
32 *a.* The election made under subsection 5 is irrevocable,
33 unless in the discretion of the director, the director
34 determines otherwise.
35 *b.* The amount determined in subsection 5, when properly

1 reported and paid by the audited partnership or tiered partner,
2 shall be treated as paid on behalf of the partners of such
3 audited partnership or tiered partner on the same final federal
4 partnership adjustments, provided, however, that no partner may
5 take any deduction or credit for the amount, claim a refund of
6 the amount, or include the amount on such partner's Iowa return
7 in any manner.
8 *c.* In the event another state offers to an audited
9 partnership or tiered partner a similar election to pay state
10 tax resulting from final federal partnership adjustments,
11 nothing in this subsection shall prohibit a resident who holds
12 an interest directly in that audited partnership or tiered
13 partner, as the case may be, from claiming a credit for taxes
14 paid by the resident to another state under section 422.8,
15 subsection 1, for any amounts paid by the audited partnership
16 or tiered partner on such resident partner's behalf to another
17 state, provided such payment otherwise meets the requirements
18 of section 422.8, subsection 1.
19 *d.* Nothing in this section shall prohibit the department
20 from assessing direct partners and indirect partners for taxes
21 they owe in the event that an audited partnership or tiered
22 partner fails to timely make any report or payment required by
23 this section for any reason.
24 8. *Assessments of additional Iowa income tax, interest, and*
25 *penalties, and claims for refund, arising from final federal*
26 *partnership adjustments.*
27 *a.* The department shall assess additional Iowa income
28 tax, interest, and penalties arising from final federal
29 partnership adjustments in the same manner as provided in
30 this title unless a different treatment is provided by this
31 subsection. Since final federal partnership adjustments are
32 determined at the audited partnership level, any assessment
33 issued to partners shall not be appealable by the partner.
34 The department may assess any taxes, including on-behalf-of
35 amounts, interest, and penalties arising from the final federal

1 partnership adjustments if it issues a notice of assessment to
2 the audited partnership, tiered partner, or other direct or
3 indirect partner on or before the expiration of the applicable
4 limitations period specified in section 422.25.
5 *b.* In addition to the period for claiming a refund or credit
6 provided in section 422.73, subsection 1, paragraph *"a"*, and
7 notwithstanding section 422.73, subsection 1, paragraph *"b"*,
8 a partnership, tiered partner, or other direct or indirect
9 partner, as the case may be, may file a claim for refund of
10 Iowa income tax arising directly or indirectly from a final
11 federal partnership adjustment arising from a partnership level
12 audit on or before the date which is one year from the date the
13 federal adjustments report for that final federal partnership
14 adjustment was required to be filed by such person under this
15 section.
16 9. *Rules.* The department may adopt any rules pursuant to
17 chapter 17A to implement this section.
18 Sec. 68. NEW SECTION. **422.25B State partnership**
19 **representative.**
20 1. As used in this section, all words and phrases defined
21 in section 422.25A shall have the same meaning given them by
22 that section.
23 2. The state partnership representative for the reviewed
24 year for a partnership shall be the partnership's federal
25 partnership representative with respect to an action required
26 or permitted to be taken by a state partnership representative
27 under this chapter for a reviewed year, unless the partnership
28 designates in writing another person as the state partnership
29 representative as provided in subsection 3. The state
30 partnership representative for the reviewed year for a
31 pass-through entity is the person designated in subsection 3.
32 3. The department may establish reasonable qualifications
33 for a person to be a state partnership representative. If
34 a partnership desires to designate a person other than the
35 federal partnership representative, the partnership shall

1 designate such person in the manner and form prescribed by the
2 department. A pass-through entity shall designate a person as
3 the state partnership representative in the manner and form
4 prescribed by the department. A partnership or pass-through
5 entity shall be allowed to change such designation by notifying
6 the department at the time the change occurs in the manner and
7 form prescribed by the department.
8 4. The department may adopt any rules pursuant to chapter
9 17A to implement this section.
10 Sec. 69. NEW SECTION. **422.25C Partnership and pass-through**
11 **entity audits and examinations — consistent treatment of**
12 **entity-level items — binding actions — amended returns.**
13 1. As used in this section, all words and phrases defined
14 in section 422.25A shall have the same meaning given them by
15 that section.
16 2. For tax years beginning on or after January 1, 2020, any
17 adjustments to a partnership's or pass-through entity's items
18 of income, gain, loss, expense, or credit, or an adjustment
19 to such items allocated to a partner that holds an interest
20 in a partnership or pass-through entity for the reviewed year
21 by the department as a result of a state partnership audit,
22 shall be determined at the partnership level or pass-through
23 entity level in the same manner as provided by section 6221(a)
24 of the Internal Revenue Code and the regulations thereunder
25 unless a different treatment is specifically provided in this
26 title. The provisions of sections 6222, 6223, and 6227 of the
27 Internal Revenue Code and the regulations thereunder shall also
28 apply to a partnership or pass-through entity and its direct
29 or indirect partners in the same manner as provided in such
30 sections unless a different treatment is specifically provided
31 in this title. For purposes of applying such sections, due
32 account shall be made for differences in federal and Iowa
33 terminology. The adjustment provided by section 6221(a) of
34 the Internal Revenue Code shall be determined as provided in
35 such section but shall be based on Iowa taxable income or

1 other tax attributes of the partnership as determined pursuant
2 to this chapter for the reviewed year. The department shall
3 issue a notice of adjustment to the partnership or pass-through
4 entity. Such notice shall be treated as an assessment for
5 the purposes of section 422.25, and the notice shall be
6 appealable by the partnership or pass-through entity pursuant
7 to sections 422.28 and 422.29 and shall be issued within the
8 time period provided by section 422.25. Once the adjustments
9 to partnership-related or pass-through entity-related items or
10 reallocations of income, gains, losses, expenses, credits, and
11 other attributes among such partners for the reviewed year are
12 finally determined, the partnership or pass-through entity and
13 any direct partners or indirect partners shall then be subject
14 to the provisions of section 422.25, subsection 1, paragraph
15 *"e"*, and section 422.25A in the same manner as if the state
16 partnership audit were a federal partnership level audit, and
17 as if the final state partnership audit adjustment were a final
18 federal partnership adjustment. The penalty exceptions in
19 section 421.27, subsection 2, paragraphs *"b"* and *"c"*, shall not
20 apply to a state partnership audit.
21 3. The state partnership representative for the reviewed
22 year as determined under section 422.25B shall have the sole
23 authority to act on behalf of the partnership or pass-through
24 entity with respect to an action required or permitted to
25 be taken by a partnership or pass-through entity under this
26 section, including proceedings under section 422.28 or 422.29,
27 and the partnership's or pass-through entity's direct partners
28 and indirect partners shall be bound by those actions.
29 4. If the department, the partnership or pass-through
30 entity, and the partnership or pass-through entity owners
31 agree, the provisions of this section may be applied to tax
32 years beginning before January 1, 2020.
33 5. The department may adopt rules pursuant to chapter 17A to
34 implement this section.
35 Sec. 70. Section 422.35, Code 2020, is amended by adding the

following new subsection:

NEW SUBSECTION. 26. Any income subtracted from federal taxable income for an adjustment year pursuant to section 6225 of the Internal Revenue Code and the regulations thereunder shall be added back in computing net income for state tax purposes for the adjustment year.

Sec. 71. Section 422.39, Code 2020, is amended by striking the section and inserting in lieu thereof the following:

422.39 Statutes applicable to corporations and corporation tax.

All the provisions of sections 422.24 through 422.27 of division II, respecting payment, collection, reporting, examination, and assessment, shall apply in respect to a corporation subject to the provisions of this division and to the tax due and payable by a corporation taxable under this division. This includes but is not limited to a corporation that is a pass-through entity as defined in section 422.25A.

Sec. 72. Section 422.73, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 01. For purposes of this section, *"federal adjustment"*, *"final determination date"*, and *"final federal adjustment"* all mean the same as defined in section 422.25.

Sec. 73. Section 422.73, subsections 1 and 3, Code 2020, are amended to read as follows:

1. *a.* If it appears that an amount of tax, penalty, or interest has been paid which was not due under division II, III or V of this chapter, then that amount shall be credited against any tax due on the books of the department by the person who made the excessive payment, or that amount shall be refunded to the person or with the person's approval, credited to tax to become due. A claim for refund or credit that has not been filed with the department within three years after the return upon which a refund or credit claimed became due, or within one year after the payment of the tax upon which a refund or credit is claimed was made, whichever time is the

later, shall not be allowed by the director. If, as a result of a carryback of a net operating loss or a net capital loss, the amount of tax in a prior period is reduced and an overpayment results, the claim for refund or credit of the overpayment shall be filed with the department within the three years after the return for the taxable year of the net operating loss or net capital loss became due.

b. Notwithstanding the period of limitation specified in paragraph *"a"*, the taxpayer shall have ~~six months~~ one year from the ~~day of final disposition~~ final determination date of any ~~income tax matter between the taxpayer and the internal revenue service~~ final federal adjustment arising from an internal revenue service audit or other similar action by the internal revenue service with respect to the particular tax year to claim an income tax refund or credit arising from that final federal adjustment.

3. The department shall enter into an agreement with the internal revenue service for the transmission of federal income tax reports on individuals required to file an Iowa income tax return who have been involved in an income tax matter with the internal revenue service. After ~~final disposition~~ the final determination date of the income tax matter that involves a final federal adjustment between the taxpayer and the internal revenue service, the department shall determine whether the individual is due a state income tax refund as a result of that final ~~disposition of~~ federal adjustment from such income tax matter. If the individual is due a state income tax refund, the department shall notify the individual within thirty days and request the individual to file a claim for refund or credit with the department.

Sec. 74. APPLICABILITY. This division of this Act applies to federal adjustments and federal partnership adjustments that have a final determination date after the effective date of this division of this Act.

DIVISION VII

SETOFF PROCEDURES — RULEMAKING — EFFECTIVE DATE

Sec. 75. RULES. The following applies to 2020 Iowa Acts, Senate file 2328 or House File 2565, if enacted:

The department of revenue shall adopt rules governing setoffs that occur during the transition from the department of administrative services to the department of revenue.

Sec. 76. 2020 Iowa Acts, Senate File 2328, if enacted, is amended by adding the following new section:

NEW SECTION. Sec. 28. EFFECTIVE DATE. This Act takes effect on the later of January 1, 2021, or the effective date of the rules adopted by the department of revenue pursuant to chapter 17A implementing this Act other than transitional rules.

Sec. 77. 2020 Iowa Acts, House File 2565, section 28, if enacted, is amended to read as follows:

SEC. 28. EFFECTIVE DATE. This Act takes effect on the later of January 1, 2021, or the effective date of the rules adopted by the department of revenue pursuant to chapter 17A implementing this Act other than transitional rules.

Sec. 78. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 79. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to the effective date of 2020 Iowa Acts, Senate File 2328 or House File 2565, if enacted.

DIVISION VIII

BUSINESS INTEREST EXPENSE DEDUCTION AND GLOBAL INTANGIBLE LOW-TAXED INCOME

Sec. 80. Section 422.7, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 59. *a.* Section 163(j) of the Internal Revenue Code does not apply in computing net income for state tax purposes. If the taxpayer's federal adjusted gross income for the tax year was increased or decreased by reason of the application of section 163(j) of the Internal Revenue Code, the taxpayer shall recompute net income for state tax purposes

1 under rules prescribed by the director.
2 *b.* Paragraph *"a"* shall not apply during any tax year
3 in which the additional first-year depreciation allowance
4 authorized in section 168(k) of the Internal Revenue Code
5 applies in computing net income for state tax purposes.
6 *c.* For any tax year in which paragraph *"a"* does not apply,
7 a taxpayer shall not be permitted to deduct any amount of
8 interest expense paid or accrued in a previous taxable year
9 that is allowed as a deduction in the current taxable year by
10 reason of the carryforward of disallowed business interest
11 provisions of section 163(j)(2) of the Internal Revenue Code,
12 if either of the following apply:
13 (1) The interest expense was originally paid or accrued
14 during a tax year in which paragraph *"a"* applied.
15 (2) The interest expense was originally paid or accrued
16 during a tax year in which the taxpayer was not required to
17 file an Iowa return.
18 Sec. 81. Section 422.35, Code 2020, is amended by adding the
19 following new subsections:
20 NEW SUBSECTION. 26. *a.* Section 163(j) of the Internal
21 Revenue Code does not apply in computing net income for state
22 tax purposes. If the taxpayer's federal taxable income for
23 the tax year was increased or decreased by reason of the
24 application of section 163(j) of the Internal Revenue Code,
25 the taxpayer shall recompute net income for state tax purposes
26 under rules prescribed by the director.
27 *b.* Paragraph *"a"* shall not apply during any tax year
28 in which the additional first-year depreciation allowance
29 authorized in section 168(k) of the Internal Revenue Code
30 applies in computing net income for state tax purposes.
31 *c.* For any tax year in which paragraph *"a"* does not apply,
32 a taxpayer shall not be permitted to deduct any amount of
33 interest expense paid or accrued in a previous taxable year
34 that is allowed as a deduction in the current taxable year by
35 reason of the carryforward of disallowed business interest

1 provisions of section 163(j)(2) of the Internal Revenue Code,
2 if either of the following apply:
3 (1) The interest expense was originally paid or accrued
4 during a tax year in which paragraph "*a*" applied.
5 (2) The interest expense was originally paid or accrued
6 during a tax year in which the taxpayer was not required to
7 file an Iowa return.
8 NEW SUBSECTION. 27. Subtract, to the extent included,
9 global intangible low-taxed income under section 951A of the
10 Internal Revenue Code.
11 Sec. 82. RESCISSION OF ADMINISTRATIVE RULES.
12 1. Contingent upon the enactment of the section of this
13 Act amending section 422.35, subsection 27, the following Iowa
14 administrative rules are rescinded:
15 a. 701 Iowa administrative code, rule 54.2, subrule 3,
16 paragraph "i".
17 b. 701 Iowa administrative code, rule 59.28, subrule 2,
18 paragraph "p".
19 2. As soon as practicable, the Iowa administrative code
20 editor shall remove the language of the Iowa administrative
21 rules referenced in subsection 1 of this section from the Iowa
22 administrative code.
23 Sec. 83. EFFECTIVE DATE. This Act, being deemed of
24 immediate importance, takes effect upon enactment.
25 Sec. 84. RETROACTIVE APPLICABILITY. The following applies
26 retroactively to January 1, 2019, for tax years beginning on
27 or after that date:
28 The portion of the section of this division of this Act
29 enacting section 422.35, subsection 27.
30 Sec. 85. RETROACTIVE APPLICABILITY. The following apply
31 retroactively to January 1, 2020 for tax years beginning on or
32 after that date:
33 1. The section of this division of this Act enacting section
34 422.7, subsection 59.
35 2. The portion of the section of this division of this Act

enacting section 422.35, subsection 26.

DIVISION IX

IOWA REINVESTMENT ACT

Sec. 86. Section 15J.2, subsections 4, 7, 8, and 9, Code 2020, are amended to read as follows:

4. *"District"* means the area ~~within a municipality~~ that is designated a reinvestment district pursuant to section 15J.4.

7. *"Municipality"* means ~~a county or an incorporated city.~~ any of the following:

a. A county.

b. An incorporated city.

c. A joint board or other legal entity established or designated in an agreement between two or more contiguous municipalities identified in paragraph *"a"* or *"b"* pursuant to chapter 28E.

8. *a.* *"New lessor"* means a lessor, as defined in section 423A.2, operating a business in the district that was not in operation in the area of the district before the effective date of the ordinance or resolution establishing the district, regardless of ownership.

b. *"New lessor"* also includes any lessor, defined in section 423A.2, operating a business in the district if the place of business for that business is the subject of a project that was approved by the board.

9. *a.* *"New retail establishment"* means a business operated in the district by a retailer, as defined in section 423.1, that was not in operation in the area of the district before the effective date of the ordinance or resolution establishing the district, regardless of ownership.

b. *"New retail establishment"* also includes any business operated in the district by a retailer, as defined in section 423.1, if the place of business for that retail establishment is the subject of a project that was approved by the board.

Sec. 87. Section 15J.4, subsection 1, unnumbered paragraph 1, Code 2020, is amended to read as follows:

A municipality that has an area suitable for development within the boundaries of the municipality or within the combined boundaries of a municipality under section 15J.2, subsection 7, paragraph *"c"*, is eligible to seek approval from the board to establish a reinvestment district under this section consisting of the area suitable for development. To be designated a reinvestment district, an area shall meet the following requirements:

Sec. 88. Section 15J.4, subsection 1, paragraphs c and d, Code 2020, are amended to read as follows:

c. ~~The~~ For districts approved before July 1, 2018, the area consists of contiguous parcels and does not exceed twenty-five acres in total. For districts approved on or after July 1, 2020, the area consists of contiguous parcels and does not exceed seventy-five acres in total.

d. For a municipality that is a city or for a city that is party to an agreement under section 15J.2, subsection 7, paragraph *"c"*, the area does not include the entire incorporated area of the city.

Sec. 89. Section 15J.4, subsection 3, paragraph a, Code 2020, is amended to read as follows:

a. The municipality shall submit a copy of the resolution, the proposed district plan, and all accompanying materials adopted pursuant to this section to the board for evaluation. The board shall not approve a proposed district plan on or after July 1, ~~2018~~ 2025.

Sec. 90. Section 15J.4, subsection 3, paragraph b, subparagraph (6), Code 2020, is amended to read as follows:

(6) The amount of proposed capital investment within the proposed district related to retail businesses in the proposed district does not exceed fifty percent of the total capital investment for all proposed projects in the proposed district plan. For the purposes of this subparagraph, *"retail business"* means any business engaged in the business of selling tangible personal property or taxable services at retail in this state

that is obligated to collect state sales or use tax under chapter 423. However, for the purposes of this subparagraph, *"retail business"* does not include a new lessor or a business engaged in an activity subject to tax under section 423.2, subsection 3.

Sec. 91. Section 15J.4, subsection 3, paragraph f, Code 2020, is amended to read as follows:

f. (1) The total aggregate amount of state sales tax revenues and state hotel and motel tax revenues that may be approved by the board for remittance to all municipalities and that may be transferred to the state reinvestment district fund under section 423.2A or 423A.6, and remitted to all municipalities having a reinvestment district under this chapter for districts approved by the board before July 1, 2018, shall not exceed one hundred million dollars.

(2) The total aggregate amount of state sales tax revenues and state hotel and motel tax revenues that may be approved by the board for remittance to all municipalities and that may be transferred to the state reinvestment district fund under section 423.2A or 423A.6, and remitted to all municipalities having a reinvestment district under this chapter for districts approved on or after July 1, 2020, but before July 1, 2025, shall not exceed one hundred million dollars.

Sec. 92. Section 15J.4, subsections 4 and 5, Code 2020, are amended to read as follows:

4. *a.* Upon receiving the approval of the board, the municipality ~~may~~ shall adopt an ordinance, or in the case of a municipality under section 15J.2, subsection 7, paragraph *"c"*, a resolution, establishing the district and shall notify the director of revenue of the district's commencement date established by the board and the information required under paragraph *"b"* no later than thirty days after adoption of the ordinance or resolution.

b. For each district approved by the board on or after July 1, 2020, the municipality shall include in the notification

under paragraph "*a*" and in the statement required under paragraph "*c*" all of the following:

(1) For each new retail establishment under section 15J.2, subsection 9, paragraph "*b*", that was in operation before the establishment of the district, the monthly amount of sales subject to the state sales tax from the most recently available twelve-month period preceding the establishment of the district.

(2) For each new lessor under section 15J.2, subsection 8, paragraph "*b*", that was in operation before the establishment of the district, the monthly amount of sales subject to the state hotel and motel tax from the most recently available twelve-month period preceding the establishment of the district.

c. The ordinance or resolution adopted by the municipality shall include the district's commencement date and a detailed statement of the manner in which the approved projects to be undertaken in the district will be financed, including but not limited to the financial information included in the project plan under subsection 2, paragraph "*d*".

d. Following establishment of the district, a municipality may use the moneys deposited in the municipality's reinvestment project fund created pursuant to section 15J.7 to fund the development of those projects included within the district plan.

5. A municipality may amend the district plan to add or modify projects. However, a proposed modification to a project and each project proposed to be added shall first be approved by the board in the same manner as provided for the original plan. In no case, however, shall an amendment to the district plan result in the extension of the commencement date established by the board. If a district plan is amended to add or modify a project, the municipality shall, if necessary, amend the ordinance or resolution, as applicable, ~~if necessary,~~ to reflect any changes to the financial information required to

be included under subsection 4.

Sec. 93. Section 15J.5, subsection 1, paragraph b, Code 2020, is amended to read as follows:

b. (1) ~~The~~ For districts established before July 1, 2020, the amount of new state sales tax revenue for purposes of paragraph *"a"* shall be the product of the amount of sales subject to the state sales tax in the district during the quarter from new retail establishments times four percent.

(2) For districts established on or after July 1, 2020, the amount of new state sales tax revenue for purposes of paragraph *"a"* shall be the product of four percent times the remainder of amount of sales subject to the state sales tax in the district during the quarter from new retail establishments minus the sum of the sales from the corresponding quarter of the twelve-month period determined under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (1), for new retail establishments identified under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (1), that were in operation at the end of the quarter.

Sec. 94. Section 15J.5, subsection 2, paragraph b, Code 2020, is amended to read as follows:

b. (1) ~~The~~ For districts established before July 1, 2020, the amount of new state hotel and motel tax revenue for purposes of paragraph *"a"* shall be the product of the amount of sales subject to the state hotel and motel tax in the district during the quarter from new lessors times the state hotel and motel tax rate imposed under section 423A.3.

(2) For districts established on or after July 1, 2020, the amount of new state hotel and motel tax revenue for purposes of paragraph *"a"* shall be the product of the state hotel and motel tax rate imposed under section 423A.3 times the remainder of amount of sales subject to the state hotel and motel tax in the district during the quarter from new lessors minus the sum of the sales from the corresponding quarter of the twelve month period determined under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (2), for new lessors identified under section

15J.4, subsection 4, paragraph *"b"*, subparagraph (2), that were in operation at the end of the quarter.

Sec. 95. Section 15J.7, subsection 4, paragraph b, Code 2020, is amended to read as follows:

b. For the purposes of this subsection, *"relocation"* means the closure or substantial reduction of an enterprise's existing operations in one area of the state and the initiation of substantially the same operation in the same county or a contiguous county in the state. However, if the initiation of operations includes an expanded scope or nature of the enterprise's existing operations, the new operation shall not be considered to be substantially the same operation. *"Relocation"* does not include an enterprise expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced.

Sec. 96. Section 15J.7, subsection 6, Code 2020, is amended to read as follows:

6. Upon dissolution of a district pursuant to section 15J.8, moneys remaining in the reinvestment project fund that were deposited pursuant to subsection 2 and all interest remaining in the fund that was earned on such amounts shall be deposited in the general fund of the municipality or, for a municipality under section 15J.2, subsection 7, paragraph *"c"*, the governing body shall allocate such amounts to the participating cities and counties for deposit in each city or county general fund according to the chapter 28E agreement.

Sec. 97. Section 15J.8, Code 2020, is amended to read as follows:

15J.8 End of deposits — district dissolution.

1. As of the date twenty years after the district's commencement date, the department shall cease to deposit state sales tax revenues and state hotel and motel tax revenues into the district's account within the fund, unless the municipality dissolves the district by ordinance or resolution prior to that

date. Following the expiration of the twenty-year period, the district shall be dissolved by ordinance or resolution of the municipality adopted within twelve months of the conclusion of the twenty-year period.

2. If the municipality dissolves the district by ordinance or resolution prior to the expiration of the twenty-year period specified in subsection 1, the municipality shall notify the director of revenue of the dissolution as soon as practicable after adoption of the ordinance or resolution, and the department shall, as of the effective date of dissolution, cease to deposit state sales tax revenues and state hotel and motel tax revenues into the district's account within the fund.

3. Upon request of the municipality prior to the dissolution of the district, and following a determination by the board that the amounts of new state sales tax revenue and new state hotel and motel tax revenue deposited in the municipality's reinvestment project fund under section 15J.7 are substantially lower than the amounts established by the board under section 15J.4, subsection 3, paragraph *"e"*, the board may extend the district's twenty-year period of time for depositing and receiving revenues under this chapter by up to five additional years if such an extension is in the best interest of the public.

DIVISION X

COMPUTER PERIPHERALS

Sec. 98. Section 423.1, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 10A. *"Computer peripheral"* means 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.

Sec. 99. Section 423.3, subsection 47, Code 2020, is amended to read as follows:

47. *a.* The sales price from the sale or rental of computers, computer peripherals, machinery, equipment,

1 replacement parts, supplies, and materials used to construct
2 or self-construct computers, computer peripherals, machinery,
3 equipment, replacement parts, and supplies, if such items are
4 any of the following:
5 (1) Directly and primarily used in processing by a
6 manufacturer.
7 (2) Directly and primarily used to maintain the integrity
8 of the product or to maintain unique environmental conditions
9 required for either the product or the computers, computer
10 peripherals, machinery, and equipment used in processing by a
11 manufacturer, including test equipment used to control quality
12 and specifications of the product.
13 (3) Directly and primarily used in research and development
14 of new products or processes of processing.
15 (4) Computers and computer peripherals used in processing
16 or storage of data or information by an insurance company,
17 financial institution, or commercial enterprise.
18 (5) Directly and primarily used in recycling or
19 reprocessing of waste products.
20 (6) Pollution-control equipment used by a manufacturer,
21 including but not limited to that required or certified by an
22 agency of this state or of the United States government.
23 *b.* The sales price from the sale of fuel used in creating
24 heat, power, steam, or for generating electrical current, or
25 from the sale of electricity, consumed by computers, computer
26 peripherals, machinery, or equipment used in an exempt manner
27 described in paragraph *"a"*, subparagraph (1), (2), (3), (5), or
28 (6).
29 *c.* The sales price from the sale or rental of the following
30 shall not be exempt from the tax imposed by this subchapter:
31 (1) Hand tools.
32 (2) Point-of-sale equipment, ~~and~~ computers, and computer
33 peripherals.
34 (3) The following within the scope of section 427A.1,
35 subsection 1, paragraphs *"h"* and *"i"*:

(a) Computers.

(b) Computer peripherals.

~~(b)~~ (c) Machinery.

~~(c)~~ (d) Equipment, including pollution control equipment.

~~(d)~~ (e) Replacement parts.

~~(e)~~ (f) Supplies.

~~(f)~~ (g) Materials used to construct or self-construct the following:

(i) Computers.

(ii) Computer peripherals.

~~(ii)~~ (iii) Machinery.

~~(iii)~~ (iv) Equipment, including pollution control equipment.

~~(iv)~~ (v) Replacement parts.

~~(v)~~ (vi) Supplies.

(4) Vehicles subject to registration, except vehicles subject to registration which are directly and primarily used in recycling or reprocessing of waste products.

d. As used in this subsection:

(1) *"Commercial enterprise"* means businesses and manufacturers conducted for profit, for-profit and nonprofit insurance companies, and for-profit and nonprofit financial institutions, but excludes other nonprofits and professions and occupations.

(2) *"Financial institution"* means as defined in section 527.2.

(3) *"Insurance company"* means an insurer organized or operating under chapter 508, 514, 515, 518, 518A, 519, or 520, or authorized to do business in Iowa as an insurer or an insurance producer under chapter 522B.

(4) (a) *"Manufacturer"* means a business that primarily purchases, receives, or holds personal property of any description for the purpose of adding to its value by a process of manufacturing with a view to selling the property for gain or profit.

1 (b) *"Manufacturer"* includes contract manufacturers. A
2 contract manufacturer is a manufacturer that otherwise falls
3 within the definition of manufacturer, except that a contract
4 manufacturer does not sell the tangible personal property
5 the contract manufacturer processes on behalf of other
6 manufacturers.
7 (c) *"Manufacturer"* does not include persons who are not
8 commonly understood as manufacturers, including but not
9 limited to persons primarily engaged in any of the following
10 activities:
11 (i) Construction contracting.
12 (ii) Repairing tangible personal property or real property.
13 (iii) Providing health care.
14 (iv) Farming, including cultivating agricultural products
15 and raising livestock.
16 (v) Transporting for hire.
17 (d) For purposes of this subparagraph:
18 (i) *"Business"* means those businesses conducted for
19 profit, but excludes professions and occupations and nonprofit
20 organizations.
21 (ii) *"Manufacturing"* means those activities commonly
22 understood within the ordinary meaning of the term, and shall
23 include:
24 (A) Refining.
25 (B) Purifying.
26 (C) Combining of different materials.
27 (D) Packing of meats.
28 (E) Activities subsequent to the extractive process of
29 quarrying or mining, such as crushing, washing, sizing, or
30 blending of aggregate materials.
31 (iii) *"Manufacturing"* does not include activities occurring
32 on premises primarily used to make retail sales.
33 (5) *"Processing"* means a series of operations in which
34 materials are manufactured, refined, purified, created,
35 combined, or transformed by a manufacturer, ultimately

1 into tangible personal property. Processing encompasses
2 all activities commencing with the receipt or producing of
3 raw materials by the manufacturer and ending at the point
4 products are delivered for shipment or transferred from the
5 manufacturer. Processing includes but is not limited to
6 refinement or purification of materials; treatment of materials
7 to change their form, context, or condition; maintenance
8 of the quality or integrity of materials, components, or
9 products; maintenance of environmental conditions necessary for
10 materials, components, or products; quality control activities;
11 and construction of packaging and shipping devices, placement
12 into shipping containers or any type of shipping devices or
13 medium, and the movement of materials, components, or products
14 until shipment from the processor.
15 (6) *"Receipt or producing of raw materials"* means activities
16 performed upon tangible personal property only. With respect
17 to raw materials produced from or upon real estate, the receipt
18 or producing of raw materials is deemed to occur immediately
19 following the severance of the raw materials from the real
20 estate.
21 (7) *"Replacement part"* means tangible personal property
22 other than computers, computer peripherals, machinery,
23 equipment, or supplies, regardless of the cost or useful life
24 of the tangible personal property, that meets all of the
25 following conditions:
26 (a) The tangible personal property replaces a component of
27 a computer, computer peripheral, machinery, or equipment, which
28 component is capable of being separated from the computer,
29 computer peripheral, machinery, or equipment.
30 (b) The tangible personal property performs the same or
31 similar function as the component it replaced.
32 (c) The tangible personal property restores the computer,
33 computer peripheral, machinery, or equipment to an operational
34 condition, or upgrades or improves the efficiency of the
35 computer, computer peripheral, machinery, or equipment.

1 (8) *"Supplies"* means tangible personal property, other
2 than computers, computer peripherals, machinery, equipment, or
3 replacement parts, that meets one of the following conditions:
4 (a) The tangible personal property is to be connected to
5 a computer, computer peripheral, machinery, or equipment and
6 requires regular replacement because the property is consumed
7 or deteriorates during use, including but not limited to saw
8 blades, drill bits, filters, and other similar items with a
9 short useful life.
10 (b) The tangible personal property is used in conjunction
11 with a computer, computer peripheral, machinery, or equipment
12 and is specially designed for use in manufacturing specific
13 products and may be used interchangeably and intermittently on
14 a particular computer, computer peripheral, machine, or piece
15 of equipment, including but not limited to jigs, dies, tools,
16 and other similar items.
17 (c) The tangible personal property comes into physical
18 contact with other tangible personal property used in
19 processing and is used to assist with or maintain conditions
20 necessary for processing, including but not limited to cutting
21 fluids, oils, coolants, lubricants, and other similar items
22 with a short useful life.
23 (d) The tangible personal property is directly and
24 primarily used in an activity described in paragraph *"a"*,
25 subparagraphs (1) through (6), including but not limited to
26 prototype materials and testing materials.
27 Sec. 100. RESCISSION OF ADMINISTRATIVE RULES.
28 1. The following Iowa administrative rules are rescinded as
29 of July 1, 2020:
30 a. 701 Iowa administrative code, rule 18.34, subrule 1,
31 paragraph "b", subparagraph (1).
32 b. 701 Iowa administrative code, rule 18.45, subrule 1,
33 definition of "computer".
34 c. 701 Iowa administrative code, rule 18.58, subrule 1,
35 definition of "computer".

d. 701 Iowa administrative code, rule 230.14, subrule 2, paragraph "a".

2. As soon as practicable after July 1, 2020, the Iowa administrative code editor shall remove the language of the Iowa administrative rules referenced in subsection 1 of this section from the Iowa administrative code.

DIVISION XI

SCHOOL TUITION ORGANIZATION TAX CREDIT — CORPORATIONS

Sec. 101. Section 422.33, subsection 28, Code 2020, is amended to read as follows:

28. The taxes imposed under this division shall be reduced by a school tuition organization tax credit allowed under section 422.11S. ~~The maximum amount of tax credits that may be approved under this subsection for a tax year equals twenty-five percent of the school tuition organization's tax credits that may be approved pursuant to section 422.11S, subsection 8, for a tax year.~~

DIVISION XII

BROADBAND INFRASTRUCTURE TAXATION

Sec. 102. Section 422.7, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 18. *a.* Subtract, to the extent included, the amount of a federal, state, or local grant provided to a communications service provider, if the grant is used to install broadband infrastructure that facilitates broadband service in targeted service areas at or above the download and upload speeds.

b. As used in this subsection, *"broadband infrastructure"*, *"communications service provider"*, and *"targeted service area"* mean the same as defined in section 8B.1, respectively.

Sec. 103. Section 422.35, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 26. *a.* Subtract, to the extent included, the amount of a federal, state, or local grant provided to a communications service provider, if the grant is used to

install broadband infrastructure that facilitates broadband service in targeted service areas at or above the download and upload speeds.

b. As used in this subsection, *"broadband infrastructure"*, *"communications service provider"*, and *"targeted service area"* mean the same as defined in section 8B.1, respectively.

Sec. 104. REFUNDS. Refunds of taxes, interest, or penalties that arise from claims resulting from the enactment of this division of this Act, in the tax year beginning January 1, 2019, but before January 1, 2020, shall not be allowed unless refund claims are filed prior to October 1, 2020, notwithstanding any other provision of law to the contrary.

Sec. 105. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 106. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2019, and applies to tax years beginning on or after that date.

DIVISION XIII

LOCAL ASSESSORS

Sec. 107. Section 441.6, subsection 2, Code 2020, is amended to read as follows:

2. Upon receipt of the report of the examining board, the chairperson of the conference board shall by written notice call a meeting of the conference board to appoint an assessor. The meeting shall be held not later than seven days after the receipt of the report of the examining board by the conference board. At the meeting, the conference board shall appoint an assessor from the register of eligible candidates. However, if a special examination has not been conducted previously for the same vacancy, the conference board may request the director of revenue to hold a special examination pursuant to section 441.7. The chairperson of the conference board shall give written notice to the director of revenue of the appointment ~~and its effective date~~ within ten days of the decision of the board.

1 Sec. 108. Section 441.6, Code 2020, is amended by adding the
2 following new subsection:
3 NEW SUBSECTION. 3. The appointee selected by the conference
4 board under subsection 2 shall not assume the office of city
5 or county assessor until such appointment is confirmed by
6 the director of revenue. If the director of revenue rejects
7 the appointment, the examining board shall conduct a new
8 examination and submit a new report to the conference board
9 under subsection 1. The director of revenue shall adopt rules
10 pursuant to chapter 17A to implement and administer this
11 subsection.
12 Sec. 109. Section 441.17, subsection 2, Code 2020, is
13 amended to read as follows:
14 2. Cause to be assessed, in accordance with section 441.21,
15 all the property in the assessor's county or city, except
16 property exempt from taxation, or the assessment of which is
17 otherwise provided for by law. However, an assessor or deputy
18 assessor shall not personally assess a property if the person
19 or a member of the person's immediate family owns the property,
20 has a financial interest in the property, or has a financial
21 interest in the entity that owns the property. The director of
22 revenue shall adopt rules pursuant to chapter 17A to implement
23 and administer this subsection.
24 Sec. 110. Section 441.41, Code 2020, is amended to read as
25 follows:
26 **441.41 Legal counsel.**
27 In the case of cities having an assessor, the city legal
28 department shall represent the assessor and board of review
29 in all litigation dealing with assessments. In the case of
30 counties, the county attorney shall represent the assessor and
31 board of review in all litigation dealing with assessments.
32 Any taxing district interested in the taxes received from such
33 assessments may be represented by an attorney and shall be
34 required to appear by attorney upon written request of the
35 assessor to the presiding officer of any such taxing district.

1 ~~The~~ Subject to review and prior approval by either the city
2 legal department in the case of a city or the county attorney
3 in the case of a county, the conference board may employ
4 special counsel to assist the city legal department or county
5 attorney as the case may be.
6 DIVISION XIV
7 PAYCHECK PROTECTION PROGRAM (PPP)
8 Sec. 111. IOWA NET INCOME EXCLUSION FOR FEDERAL PAYCHECK
9 PROTECTION PROGRAM LOAN FORGIVENESS FOR CERTAIN FISCAL-YEAR
10 FILERS IN TAX YEAR 2019. Notwithstanding any other provision
11 of law to the contrary, for any tax year beginning on or after
12 January 1, 2019, and ending after March 27, 2020, Pub. L. No.
13 116-136, §1106(i), applies in computing net income for state
14 tax purposes under section 422.7 or 422.35.
15 Sec. 112. EFFECTIVE DATE. This division of this Act, being
16 deemed of immediate importance, takes effect upon enactment.
17 DIVISION XV
18 FOOD BANKS — SALES TAX EXEMPTION
19 Sec. 113. Section 423.3, Code 2020, is amended by adding the
20 following new subsection:
21 NEW SUBSECTION. 107. The sales price from the sale or
22 rental of tangible personal property or specified digital
23 products, or services furnished, to a nonprofit food bank,
24 which tangible personal property, specified digital products,
25 or services are to be used by the nonprofit food bank for a
26 charitable purpose. For purposes of this subsection, *"nonprofit*
27 *food bank"* means an organization organized under chapter 504
28 and qualifying under section 501(c)(3) of the Internal Revenue
29 Code as an organization exempt from federal income tax under
30 section 501(a) of the Internal Revenue Code that maintains
31 an established operation involving the provision of food or
32 edible commodities or the products thereof on a regular basis
33 to persons in need or to food pantries, soup kitchens, hunger
34 relief centers, or other food or feeding centers that, as an
35 integral part of their normal activities, provide meals or food

on a regular basis to persons in need.

DIVISION XVI

PRO RATA SHARE OF ENTITY-LEVEL INCOME TAX PAID BY SHAREHOLDERS OR BENEFICIARIES

Sec. 114. Section 422.8, subsection 1, Code 2020, is amended to read as follows:

1. *a.* The amount of income tax paid to another state or foreign country by a resident taxpayer of this state on income derived from sources outside of Iowa shall be allowed as a credit against the tax computed under this chapter, except that the credit shall not exceed what the amount of the Iowa tax would have been on the same income which was taxed by the other state or foreign country. The limitation on this credit shall be computed according to the following formula: Income earned outside of Iowa and taxed by another state or foreign country shall be divided by the total income of the resident taxpayer of Iowa. This quotient multiplied ~~times~~ by the net Iowa tax as determined on the total income of the taxpayer as if entirely earned in Iowa shall be the maximum tax credit against the Iowa net tax.

b. (1) For purposes of paragraph *"a"*, a resident partner of an entity taxed as a partnership for federal tax purposes, a resident shareholder of an S corporation, or a resident beneficiary of an estate or trust shall be deemed to have paid the resident partner's, resident shareholder's, or resident beneficiary's pro rata share of entity-level income tax paid by the partnership, S corporation, estate, or trust to another state or foreign country on income that is also subject to tax under this division, but only if the entity provides the resident partner, resident shareholder, or resident beneficiary a statement that documents the resident partner's, resident shareholder's, or resident beneficiary's share of the income derived in the other state or foreign country, the income tax liability of the entity in that state or foreign country, and the income tax paid by the entity to that state or foreign

country.

(2) For purposes of paragraph "a", a resident shareholder of a regulated investment company shall be deemed to have paid the shareholder's pro rata share of entity-level income tax paid by the regulated investment company to another state or foreign country and treated as paid by its shareholders pursuant to section 853 of the Internal Revenue Code, but only if the regulated investment company provides the resident shareholder a statement that documents the resident shareholder's share of the income derived in the other state or foreign country, the income tax liability of the regulated investment company in that state or foreign country, and the income tax paid by the regulated investment company to that state or foreign country.

Sec. 115. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 116. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2020, for tax years beginning on or after that date.

DIVISION XVII

IOWA SMALL BUSINESS RELIEF GRANT PROGRAM

Sec. 117. Section 422.7, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 59. Subtract, to the extent included, the amount of any financial assistance grant provided to an eligible small business by the economic development authority under the Iowa small business relief grant program created during calendar year 2020 to provide financial assistance to eligible small businesses economically impacted by the COVID-19 pandemic.

Sec. 118. Section 422.35, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 26. Subtract, to the extent included, the amount of any financial assistance grant provided to an eligible small business by the economic development authority under the Iowa small business relief grant program created

during calendar year 2020 to provide financial assistance to eligible small businesses economically impacted by the COVID-19 pandemic.

Sec. 119. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 120. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to March 23, 2020, for tax years ending on or after that date.

DIVISION XVIII

PORT AUTHORITIES

Sec. 121. Section 28J.1, subsections 1 and 3, Code 2020, are amended to read as follows:

1. *"Authorized purposes"* means an activity that enhances, fosters, aids, provides, or promotes transportation, infrastructure, utility service, flood and erosion control, economic development, housing, recreation, education, governmental operations, culture, or research within the jurisdiction of a port authority.

3. *"City"* means the same as defined in section 362.2, and also includes a city enterprise as defined in section 384.24.

Sec. 122. Section 28J.1, subsection 6, paragraphs d, f, and g, Code 2020, are amended to read as follows:

d. The cost of machinery, furnishings, equipment, financing charges, interest prior to and during construction and for no more than twelve months after completion of construction, engineering, architectural services, technical services, preliminary reports, property valuations, consequential damages or costs, provisions for contingencies, supervision, inspection, testing, and expenses of research and development with respect to a facility.

f. The interest upon the revenue bonds, ~~and~~ pledge orders, loan agreements, lease contracts, and certificates of participation in or other participatory interests or evidences of any obligation under a loan agreement or lease contract, during the period or estimated period of construction and

for twelve months thereafter, or for twelve months after the acquisition date, and upon reserve funds as the port authority deems advisable in connection with a facility and the issuance of port authority revenue bonds, ~~and~~ pledge orders, loan agreements, lease contracts, and certificates of participation in or other participatory interests or evidences of any obligation under a loan agreement or lease contract.

g. The costs of issuance of port authority revenue bonds, ~~and~~ pledge orders, loan agreements, lease contracts, and certificates of participation in or other participatory interests or evidences of any obligations under a loan agreement or lease contract.

Sec. 123. Section 28J.1, subsections 7 and 8, Code 2020, are amended to read as follows:

7. *"Facility"* or *"port authority facility"* means any public works project, intermodal freight or transportation facility, project for which tax-exempt financing is authorized by the Internal Revenue Code, and real or personal property or improvements owned, leased, constructed, or otherwise controlled or financed by or for a port authority ~~and~~ that is related to or in furtherance of one or more authorized purposes.

8. *"Governmental agency"* means a department, division, or other unit of state government of this state or any other state, ~~city, county,~~ any political subdivision, township, or other governmental subdivision, ~~or~~ any city utility, any other public corporation, special purpose district, authority, or agency created under the laws of this state, any other state, the United States, or any department or agency thereof, or any agency, commission, or authority established pursuant to an interstate compact or agreement or combination thereof.

Sec. 124. Section 28J.1, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 8A. *"Net revenues"* means revenues less operating expenses.

Sec. 125. Section 28J.1, subsections 11, 12, and 14, Code 2020, are amended to read as follows:

11. *"Political subdivision"* means a ~~city, county, city-county consolidation, or multicounty consolidation, or combination thereof~~ municipality as defined in section 16.151.

12. *"Political subdivisions comprising the port authority"* means ~~the~~ each political ~~subdivisions~~ subdivision which created or participated in the creation of the port authority under section 28J.2, or which joined an existing port authority under section 28J.4.

14. *"Port authority revenue bonds"* or *"revenue bonds"* means revenue bonds and revenue refunding bonds issued pursuant to section 28J.21.

Sec. 126. Section 28J.1, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 15A. *"Public works project"* means a project of a type that a political subdivision is authorized to undertake as otherwise provided by law, including but not limited to public roads and other transportation infrastructure, utility systems such as water treatment facilities and sewage treatment facilities, or a project as defined in section 384.80.

Sec. 127. Section 28J.1, subsection 16, Code 2020, is amended to read as follows:

16. *"Revenues"* means ~~rental~~ rents, fees, income, rates, tolls, receipts, and other charges or revenues received by a port authority or derived from the operations of a facility or for the use or services of a facility, a gift or grant received with respect to a facility, moneys received with respect to the lease, sublease, sale, including installment sale or conditional sale, or other disposition of a facility, moneys received in repayment of and for interest on any loans made by the port authority to a person or governmental agency, proceeds of port authority revenue bonds for payment of principal, premium, or interest on the bonds authorized

by the port authority, proceeds or borrowings under port authority loan agreements for payment of principal, premium, or interest on the port authority obligations thereunder, proceeds or borrowings under lease contracts for the payment of lease payments thereunder, proceeds under any certificates of participation in or other participatory interests or evidences of any obligations under a loan agreement or lease contract, proceeds from any insurance, condemnation, or guarantee pertaining to the financing of the facility, and income and profit from the investment of the proceeds of port authority revenue bonds, proceeds, or borrowings under loan agreements, lease contracts, or proceeds of certificates of participation in or other participatory interests or evidences of any obligation under any loan agreement or lease contract or of any revenues.

Sec. 128. Section 28J.2, subsection 1, Code 2020, is amended to read as follows:

1. ~~Two~~ One or more political subdivisions may by resolution create a port authority under this chapter ~~by resolution~~ anywhere in this state, regardless of proximity to a body of water. If a proposal to create a port authority receives a favorable majority of the members of the elected legislative body of each of the political subdivisions, the port authority is created at the time provided in the resolution. The jurisdiction of a port authority includes the territory described in section 28J.8.

Sec. 129. Section 28J.2, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 5. A port authority is an entity separate from the political subdivisions comprising the port authority. The powers granted to the port authority pursuant to this chapter are in addition to other powers, and constitute independent powers that may be exercised by the port authority whether or not the political subdivisions comprising the port authority have or may exercise any of those powers

individually.

Sec. 130. Section 28J.3, subsection 1, Code 2020, is amended to read as follows:

1. The political subdivisions comprising a port authority may appropriate and expend public funds and make contributions to the port authority to finance or subsidize the operation and authorized purposes of the port authority and pay the costs and expenses incurred by the port authority in carrying out any operations or authorized purposes of the port authority. Political subdivisions comprising the port authority may enter into agreements with each other or the port authority providing for the contributions to the port authority to be made by each of the political subdivisions and providing for the obligations of each of the political subdivisions to pay, finance, or subsidize the costs and expenses incurred by the port authority. Political subdivisions comprising the port authority may, by resolution, authorize and appropriate funds for any contribution, payment, or financing required to be made under such agreement by the use of any method available to government agencies for providing funds or financing under section 28J.16. A port authority shall control tax revenues allocated to the facilities the port authority administers and all revenues derived from the operation of the port authority, the sale of its property, interest on investments, or from any other source related to the port authority.

Sec. 131. Section 28J.5, subsections 1, 2, and 5, Code 2020, are amended to read as follows:

1. A port authority created pursuant to section 28J.2 shall be governed by a board of directors. Members of a board of directors of a port authority created by two or more political subdivisions shall be divided among the political subdivisions comprising the port authority in such proportions as the political subdivisions may agree and shall be appointed by the respective political subdivision's elected legislative body. Members of a board of directors of a port authority created by

one political subdivision shall be appointed by the political subdivision's governing body.

2. The number of directors comprising the board of a port authority created by two or more political subdivisions shall be determined by agreement between the political subdivisions comprising the port authority~~, and which~~. The number of directors comprising the board of directors of a port authority created by one political subdivision shall consist of the number of directors the political subdivision considers necessary. The number may be changed by resolution of each of the political subdivisions comprising the port authority and in accordance with any agreement between the political subdivisions comprising the port authority.

5. The board may provide procedures for the removal of a director who fails to attend three consecutive regular meetings of the board. If a director is so removed, a successor shall be appointed for the remaining term of the removed director in the same manner provided for the original appointment. ~~The appointing body~~ Any political subdivisions comprising the port authority may at any time remove a director appointed by it ~~for misfeasance, nonfeasance, or malfeasance in office~~ and appoint a successor for the remaining term of the removed director in the same manner as provided for by the original appointment.

Sec. 132. Section 28J.8, subsection 1, Code 2020, is amended to read as follows:

1. The area of jurisdiction of a port authority shall include all of the territory of the port authority facility and of the political subdivisions comprising the port authority and, if the port authority owns or leases a railroad line or airport, the territory on which the railroad's line, terminals, and related facilities or the airport's runways, terminals, and related facilities are located, regardless of whether the territory is located in the political subdivisions comprising the port authority.

Sec. 133. Section 28J.9, subsections 4, 8, and 10, Code

2020, are amended to read as follows:

4. Acquire, construct, furnish, equip, maintain, repair, sell, exchange, lease, lease with an option to purchase, convey interests in real or personal property, and operate any property of the port authority within or outside the territory of the political subdivisions comprising the port authority in furtherance of any authorized purpose, including in connection with transportation, recreational, governmental operations, or cultural activities ~~in furtherance of an authorized purpose~~.

8. Issue port authority revenue bonds beyond the limit of bonded indebtedness provided by law, payable solely from revenues as provided in section 28J.21, and enter into loan agreements and lease contracts as provided in section 28J.21A, for the purpose of providing funds to pay the costs of any facility or facilities of the port authority or parts thereof.

10. Enjoy and possess the same legislative and executive rights, privileges, and powers granted cities under ~~chapter~~ chapters 28F, 364, and 384, and counties under chapter 331, including the exercise of police power but excluding the power to levy taxes.

Sec. 134. Section 28J.11, subsection 2, Code 2020, is amended to read as follows:

2. Impair the powers of a political subdivision to develop or improve a port ~~and terminal~~ authority facility except as restricted by section 28J.15.

Sec. 135. Section 28J.13, Code 2020, is amended to read as follows:

28J.13 Annual budget — use of rents and charges.

The board shall annually prepare a budget for the port authority. Revenues received by the port authority shall be used for the general expenses of the port authority and to pay interest, amortization, and retirement charges on, and principal of, money borrowed and to make payments under lease contracts. Except as provided in section 28J.26, if there remains, at the end of any fiscal year, a surplus of such funds

after providing for the above uses, the board shall pay such surplus into the general funds of the political subdivisions comprising the port authority as agreed to by the subdivisions.

Sec. 136. Section 28J.15, Code 2020, is amended to read as follows:

28J.15 Limitation on certain powers of political subdivisions.

A political subdivision creating or participating in the creation of a port authority in accordance with section 28J.2 shall not, during the time the port authority is in existence, exercise the rights and powers provided in chapters 28A, 28K, and 384 relating to the political subdivision's authority over a port, wharf, dock, harbor, or other facility substantially similar to that political subdivision's authority under a port authority granted under this chapter, except as provided in section 28J.2.

Sec. 137. Section 28J.16, subsection 1, paragraphs a and c, Code 2020, are amended to read as follows:

a. A port authority may charge, alter, and collect ~~rental~~ rents, fees, or other charges or revenues for the use or services of any port authority facility and contract for the use or services of a facility, and fix the terms, conditions, ~~rental~~ rents, fees, or other charges for the use or services.

c. The ~~rental~~ rents, fees, ~~or~~ other charges, and other revenues of a port authority shall not be subject to supervision or regulation by any other authority, commission, board, bureau, or governmental agency of the state and the contract may provide for acquisition of all or any part of the port authority facility for such consideration payable over the period of the contract or otherwise as the port authority determines to be appropriate, but subject to the provisions of any resolution authorizing the issuance of port authority revenue bonds, loan agreements, lease contracts, or certificates of participation in or other participatory interests or evidences of any obligations under a loan

agreement or lease contract, or of any trust agreement securing the bonds, loan agreements, lease contracts, or certificates of participation in or other participatory interests or evidences of any obligation under a loan agreement or lease contract.

Sec. 138. Section 28J.16, subsection 2, paragraph a, Code 2020, is amended to read as follows:

a. A governmental agency may cooperate with the port authority in the acquisition, operation, or construction of a port authority facility and shall enter into such agreements with the port authority as may be appropriate, which shall provide for contributions by the parties in a proportion as may be agreed upon and other terms as may be mutually satisfactory to the parties including the authorization of the construction of the facility by one of the parties acting as agent for all of the parties and the ownership, operation, and control of the facility by the port authority to the extent necessary or appropriate.

Sec. 139. Section 28J.17, subsection 1, paragraph a, Code 2020, is amended to read as follows:

a. A port authority may enter into a contract or other arrangement with a person, railroad, utility company, corporation, governmental agency including sewerage, drainage, conservation, conservancy, or other improvement districts in this or other states, or the governments or agencies of foreign countries as may be necessary or convenient for the exercise of the powers granted by this chapter. The port authority may purchase, lease, or acquire land or other property in any county of this state and in adjoining states for the accomplishment of authorized purposes of the port authority, or for the improvement of ~~the harbor and~~ port authority facilities over which the port authority may have jurisdiction including development of port authority facilities in adjoining states. The authority granted in this section to enter into contracts or other arrangements with the federal government includes the power to enter into any contracts, arrangements, or agreements

that may be necessary to hold and save harmless the United States from damages due to the construction and maintenance by the United States of work the United States undertakes.

Sec. 140. Section 28J.19, Code 2020, is amended to read as follows:

28J.19 Property tax exemption.

A port authority shall be exempt from and shall not be required to pay taxes on real property that is purchased by a port authority or real property belonging to a port authority that is used exclusively for an authorized purpose, as provided in section 427.1, subsection 34.

Sec. 141. NEW SECTION. **28J.21A Loan agreements — lease contracts — trust agreements.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

a. *"Lease contract"* includes any certificates of participation or other participatory interests in the lease contract or obligations arising out of the lease contract.

b. *"Loan agreement"* includes any notes, certificates, or any other participatory interests issued to evidence the parties' obligations arising out of the loan agreement.

2. *Loan agreements.* A port authority may enter into loan agreements to borrow money to pay the costs of any facility, or parts thereof, or to refund other obligations which are payable from the net revenues of the port authority at lower, the same, or higher rates of interest in accordance with the all of the following terms and procedures:

a. A loan agreement entered into by a port authority may contain provisions similar to those in loan agreements between private parties, including but not limited to any of the following:

(1) The loan agreement may provide for the issuance of notes, certificates of participation, or any other participatory interests to evidence the parties' obligations.

(2) The loan agreement may provide for maturity in one or

more installments.

(3) The loan agreement may be in registered form and carry registration and conversion privileges.

(4) The loan agreement may be payable as to principal and interest at times and places as specified.

(5) The loan agreement may be subject to terms of redemption prior to maturity with or without a premium.

(6) The loan agreement may be in one or more denominations.

b. A provision of a loan agreement which stipulates that a portion of the payments be applied as interest is subject to chapter 74A and such interest may be at a variable rate or rates changing from time to time in accordance with a base or formula. Other laws relating to interest rates do not apply and the provisions of chapter 75 are not applicable.

c. The board may authorize a loan agreement to be payable solely from the net revenues of a port authority by substantially following the authorization procedures of section 28J.21 for the issuance of revenue bonds. The resolution authorizing the loan agreement may also prescribe additional provisions, terms, conditions, and covenants that the port authority deems advisable, consistent with this chapter, including provisions for creating and maintaining reserve funds and for the authorization of additional loan agreements ranking on a parity with such loan agreements and additional loan agreements junior and subordinate to such loan agreement, and that such loan agreement shall rank on a parity with or be junior and subordinate to any loan agreement which may be then outstanding. A port authority loan agreement shall be a contract between the port authority and the lender and the resolution shall be made part of the contract.

d. A loan agreement to which a port authority is a party is an obligation of the political subdivisions comprising the port authority for the purposes of chapters 502 and 636, and is a lawful investment for any bank, trust company, savings association, deposit guaranty association, investment company,

1 insurance company, insurance association, executor, guardian or
2 trustee, and any fiduciary responsible for the investment of
3 funds or having charge of the loan retirement funds or sinking
4 funds of any port authority, governmental agency, or taxing
5 district of this state, any pension and annuity retirement
6 system, the Iowa public employees' retirement system, the
7 police officers and fire fighters retirement systems under
8 chapters 410 and 411, or a revolving fund of a governmental
9 agency of this state, and are acceptable as security for the
10 deposit of public funds under chapter 12C.
11 3. *Lease contracts.* A port authority may enter into lease
12 contracts for real or personal property comprising a port
13 authority facility, or parts thereof, in accordance with all of
14 the following terms and procedures:
15 *a.* A port authority shall lease property only for a term
16 which does not exceed the economic life of the property, as
17 determined by the board.
18 *b.* A lease contract entered into by a port authority may
19 contain provisions similar to those found in lease contracts
20 between private parties, including but not limited to any of
21 the following:
22 (1) The lease contract may provide for the issuance of
23 certificates of participation or other participatory interests
24 in the lease contracts or any obligations thereunder.
25 (2) The lease contract may provide for the lessee to pay any
26 of the costs of operation or ownership of the leased property
27 and for the right to purchase the leased property.
28 *c.* A provision of a lease contract which stipulates that a
29 portion of the rent or lease payments be applied as interest
30 is subject to the provisions of chapter 74A and such interest
31 may be at a variable rate or rates changing from time to time
32 in accordance with a base or formula. Other laws relating to
33 interest rates shall not apply and the provisions of chapter
34 75 are not applicable.
35 *d.* The board may authorize a lease contract payable solely

1 from the net revenues of a port authority by substantially
2 following the authorization procedures set forth in section
3 28J.21 for the issuance of port authority revenue bonds. The
4 resolution authorizing the lease contract may also prescribe
5 additional provisions, terms, conditions, and covenants which
6 the port authority deems advisable, consistent with this
7 chapter, including provisions for creating and maintaining
8 reserve funds and the authorization of additional lease
9 contracts ranking on a parity with such lease contracts and
10 additional lease contracts junior and subordinate to such lease
11 contracts, and that such lease contracts shall rank on a parity
12 with or be junior and subordinate to any lease contract which
13 may be then outstanding. A port authority lease contract shall
14 be a contract between the port authority and the lessor and the
15 resolution shall be part of the contract.
16 *e.* A lease contract to which a port authority is a party
17 is an obligation of the political subdivisions comprising the
18 port authority for the purposes of chapters 502 and 636, and
19 is a lawful investment for any bank, trust company, savings
20 association, deposit guaranty association, investment company,
21 insurance company, insurance association, executor, guardian or
22 trustee, and any fiduciary responsible for the investment of
23 funds or having charge of the lease retirement funds or sinking
24 funds of any port authority, governmental agency or taxing
25 district of this state, any pension and annuity retirement
26 system, the Iowa public employees' retirement system, the
27 police officers and fire fighters retirement systems under
28 chapters 410 and 411, or a revolving fund of a governmental
29 agency of this state, and are acceptable as security for the
30 deposit of public funds under chapter 12C.
31 *f.* A contract for construction by a private party of
32 property to be leased by a port authority is not a contract for
33 a public improvement and shall not be subject to the provisions
34 of chapter 26 and section 28J.3, subsection 3. This paragraph
35 applies to all contracts that are subject to this subsection,

notwithstanding section 28J.9, subsection 18, or any other provision of law that might otherwise apply, including a requirement of notice, competitive bidding or selection, or for the provision of security. However, if a contract is funded in advance by means of the lessor depositing moneys to be administered by a port authority with the port authority's obligation to make rent or lease payments commencing with its receipt of moneys, a contract for construction of the property in question awarded by the port authority is a public improvement and is subject to the provisions of chapter 26.

4. *Trust agreements.*

a. In the discretion of the port authority, a loan agreement or a lease contract authorized under this section and the port authority's obligations thereunder may be secured by a trust agreement between the port authority and a corporate trustee that may be any trust company or bank having the powers of a trust company within this or any other state. Subject to the other provisions of this paragraph, the corporate trustee may also be the lender under a loan agreement or the lessor under a lease contract authorized under this section.

b. The trust agreement may provide for the issuance of notes to evidence the port authority's obligations under a loan agreement to which the port authority is a party. The trust agreement may also provide for the issuance of certificates of participation or other participatory interests in a lease contract to which a port authority is a party. The trust agreement, or any resolution authorizing the loan agreement or the lease contract, may pledge or assign revenues of the port authority to be received as payment of obligations under the loan agreement or the lease contract and may contain provisions for protecting and enforcing the rights and remedies of the lender, the lessor, or the holders of notes evidencing the port authority's obligations under the loan agreement. These provisions may include covenants setting forth the duties of the port authority in relation to the acquisition of property,

the construction, improvement, maintenance, repair, operation, and insurance of the port authority facility in connection with which the loan agreement or the lease contract is authorized, the rentals or other charges to be imposed for the use or services of any port authority facility, the custody, safeguarding, and application of all moneys, and provisions for the employment of consulting engineers in connection with the construction or operation of any port authority facility.

c. A bank or trust company incorporated under the laws of this state that acts as the depository of the proceeds or borrowings provided under the loan agreement or lease contract or of revenues, shall furnish any indemnifying bonds and may pledge any securities that are required by the port authority. The trust agreement may set forth the rights and remedies of the lender, the lessor, or the holders of notes evidencing the port authority's obligations under the loan agreement and may restrict the individual right of action by the lender, the lessor, or the holders of notes evidencing the port authority's obligations under the loan agreement as is customary in trust agreements or trust indentures securing similar loan agreements or lease contracts. The trust agreement may contain any other provisions that the port authority determines reasonable and proper for the security of the lender, the lessor, or the holders of notes evidencing the port authority's obligations under the loan agreement. All expenses incurred in carrying out the provisions of the trust agreement may be treated as a part of the cost of the operation of the port authority facility.

5. *Exclusions.* Port authority loan agreements and lease contracts authorized under this chapter shall not constitute a debt, indebtedness, or a pledge of the faith and credit of the port authority or the state or any political subdivision of the state, within the meaning of any state constitutional provision or statutory limitation, nor constitute or give rise to a pecuniary liability of the port authority, any political

subdivisions comprising the port authority, the state, or any political subdivision of the state, or a charge against the general credit or taxing power of the port authority. Any political subdivisions comprising the port authority, the state, or any political subdivision of the state, and the holders or owners of the obligations owed under a loan agreement or lease contract shall not have taxes levied by the state or by a taxing authority of a governmental agency of the state for the payment of the principal of or interest owed on such obligations. However, a loan agreement or lease contract and the obligation owed thereunder are payable solely from the revenues and funds pledged for their payment as authorized by this chapter. All loan agreements and lease contracts authorized under this chapter and the evidence of obligations owed under such loan agreements or lease contracts such shall contain a statement to the effect that the loan agreement or lease contract authorized under this chapter and the evidence of obligations owed under the loan agreement or lease contract, as to both principal and interest, are not debts of the port authority or the state or any political subdivision of the state, but are payable solely from revenues and funds pledged for their payment.

6. *Judicial proceedings.*

a. The sole remedy for a breach or default of a term of any port authority loan agreement or lease contract authorized under this chapter is a proceeding in law or in equity by suit, action, or mandamus to enforce and compel performance of the duties required by this chapter and of the terms of the resolution authorizing the loan agreement or lease contract, or to obtain the appointment of a receiver to take possession of and operate the port authority and to perform the duties required by this chapter and the terms of the resolution authorizing the loan agreement or lease contract.

b. An action shall not be brought after fifteen days from the time the loan agreement or lease contract is authorized by

the port authority with regards to any of the following:

(1) The legality of the port authority loan agreement or lease contract.

(2) The power of a port authority to authorize the port authority loan agreement or lease contract.

(3) The effectiveness of any proceedings relating to the authorization of the port authority loan agreement or lease contract.

Sec. 142. Section 28J.25, Code 2020, is amended to read as follows:

28J.25 Funds and property held in trust — use and deposit of funds.

All revenues, funds, properties, and assets acquired by the port authority under this chapter, whether as proceeds from the sale of port authority revenue bonds, pledge orders, borrowings under a loan agreement, entering into a lease contract, proceeds from the issuance of certificates of participation or any other participatory interests in such loan agreement or lease contract or as revenues, shall be held in trust for the purposes of carrying out the port authority's powers and duties, shall be used and reused as provided in this chapter, and shall at no time be part of other public funds. Such funds, except as otherwise provided in a resolution authorizing port authority revenue bonds or pledge orders, the loan agreement or lease contract, or in a trust agreement securing the same, or except when invested pursuant to section 28J.26, shall be kept in depositories selected by the port authority in the manner provided in chapter 12C, and the deposits shall be secured as provided in that chapter. The resolution authorizing the issuance of revenue bonds or pledge orders, the loan agreement or lease contract, or the trust agreement securing such bonds or pledge orders, shall provide that any officer to whom, or any bank or trust company to which, such moneys are paid shall act as trustee of such moneys and hold and apply them for the purposes hereof, subject to such conditions as this chapter and

1 such resolution or trust agreement provide.
2 Sec. 143. Section 28J.26, subsection 1, Code 2020, is
3 amended to read as follows:
4 1. If a port authority has surplus funds after making all
5 deposits into all funds required by the terms, covenants,
6 conditions, and provisions of outstanding revenue bonds, pledge
7 orders, loan agreements, or lease contracts and refunding bonds
8 which are payable from the revenues of the port authority
9 and after complying with all of the requirements, terms,
10 covenants, conditions, and provisions of the proceedings and
11 resolutions pursuant to which revenue bonds, pledge orders,
12 and refunding bonds are issued or the loan agreement or lease
13 contract is authorized, the board may transfer the surplus
14 funds to any other fund of the port authority in accordance
15 with this chapter and chapter 12C, provided that a transfer
16 shall not be made if it conflicts with any of the requirements,
17 terms, covenants, conditions, or provisions of a resolution
18 authorizing the issuance of revenue bonds, pledge orders,
19 or other obligations ~~which are~~ or loan agreements or lease
20 contracts payable from the revenues of the port authority which
21 are then outstanding.
22 Sec. 144. Section 427.1, subsection 34, Code 2020, is
23 amended to read as follows:
24 34. *Port authority property.* The property of a port
25 authority created pursuant to section 28J.2, when devoted to
26 public use and not held for pecuniary profit, or property
27 purchased by a port authority.
28 DIVISION XIX
29 FOOD OPERATION TRESPASS
30 Sec. 145. Section 716.7A, subsection 1, paragraph d, as
31 enacted by 2020 Iowa Acts, Senate File 2413, section 17, is
32 amended to read as follows:
33 *d.* (1) *"Food operation"* means any of the following:
34 ~~(1)~~ (a) A location where a food animal is produced,
35 maintained, or otherwise housed or kept, or processed in any

1 manner.
2 ~~(2)~~ (b) A location other than as described in subparagraph
3 ~~(1)~~ division (a) where a food animal is kept, including an
4 apiary, livestock market, vehicle or trailer attached to a
5 vehicle, fair, exhibition, or a business operated by a person
6 licensed to practice veterinary medicine pursuant to chapter
7 169.
8 ~~(3)~~ (c) A location where a meat food product, poultry
9 product, milk or milk product, eggs or an egg product, aquatic
10 product, or honey is prepared for human consumption, including
11 a food processing plant, a slaughtering establishment operating
12 under the provisions of 21 U.S.C. §451 et seq. or 21 U.S.C.
13 §601 et seq.; or a slaughtering establishment subject to state
14 inspection as provided in chapter 189A.
15 ~~(4)~~ (2) ~~A~~ *"Food operation"* does not include a food
16 establishment or farmers market ~~that sells or offers for sale a~~
17 ~~meat food product, poultry product, milk or milk product, eggs~~
18 ~~or an egg product, aquatic product, or honey~~.
19 Sec. 146. EFFECTIVE DATE. This division of this Act, being
20 deemed of immediate importance, takes effect upon enactment.
21 Sec. 147. RETROACTIVE APPLICABILITY. This division of this
22 Act applies retroactively to June 10, 2020.>
23 2. Title page, by striking lines 1 through 4 and inserting:
24 <An Act relating to state taxation and related laws of the
25 state, including the administration by the department of
26 revenue of certain tax credits and refunds, income taxes,
27 moneys and credits taxes, sales and use taxes, partnership
28 and pass-through entity audits, and by modifying provisions
29 relating to the reinstatement of business entities, the
30 assessment and valuation of property, the Iowa reinvestment
31 Act, port authorities, and animals and food, and providing
32 penalties, and including effective date and retroactive
33 applicability provisions.>

By JAKE CHAPMAN

S-5158 FILED JUNE 13, 2020

ADOPTED

HOUSE FILE 594

S-5151

1 Amend House File 594, as passed by the House, as follows:
2 1. Page 1, line 4, by striking <A court> and inserting <1.
3 A court>
4 2. Page 1, by striking lines 10 through 12 and inserting <is
5 a false artifact.
6 2. For the purposes of this section:
7 *a. "Life-sustaining procedure"* means the same as defined in
8 section 144A.2.
9 *b. "Minor"* means the same as specified in section 599.1.>

By JASON SCHULTZ

S-5151 FILED JUNE 13, 2020
ADOPTED

HOUSE AMENDMENT TO SENATE AMENDMENT TO
TO HOUSE FILE 594

S-5162

1 Amend the Senate amendment, H-8312, to House File 594, as
2 passed by the House, as follows:
3 1. Page 1, after line 9 by inserting:
4 <___. Page 1, after line 12 by inserting:
5 <Sec. ___. Section 146A.1, subsection 1, unnumbered
6 paragraph 1, Code 2020, is amended to read as follows:
7 A physician performing an abortion shall obtain written
8 certification from the pregnant woman of all of the following
9 at least ~~seventy-two~~ twenty-four hours prior to performing an
10 abortion:>
11 ___. Title page, line 1, after <relating to> by inserting
12 <medical procedures including abortion and>>

S-5162 FILED JUNE 13, 2020
CONCURRED

HOUSE FILE 599

S-5152

1 Amend House File 599, as passed by the House, as follows:
2 1. Page 1, line 1, by striking <2019> and inserting <2020>
3 2. Page 1, line 11, after <hunt wild turkey> by inserting
4 <appropriate for the minor's residency status>

By CHRIS COURNOYER

S-5152 FILED JUNE 13, 2020
ADOPTED

HOUSE FILE 2627

S-5153

1 Amend House File 2627, as amended, passed, and reprinted by
2 the House, as follows:
3 1. By striking everything after the enacting clause and
4 inserting:
5 <Section 1. Section 103.6, subsection 1, paragraph e, Code
6 2020, is amended by striking the paragraph.
7 Sec. 2. Section 103.9, subsection 3, Code 2020, is amended
8 by striking the subsection.
9 Sec. 3. Section 103.10, subsection 6, Code 2020, is amended
10 by striking the subsection.
11 Sec. 4. Section 103.12, subsection 6, Code 2020, is amended
12 by striking the subsection.
13 Sec. 5. Section 103.12A, subsection 4, Code 2020, is amended
14 by striking the subsection.
15 Sec. 6. Section 103.13, subsection 4, Code 2020, is amended
16 by striking the subsection.
17 Sec. 7. Section 103.15, subsection 7, Code 2020, is amended
18 by striking the subsection.
19 Sec. 8. Section 105.10, subsection 5, Code 2020, is amended
20 by striking the subsection.
21 Sec. 9. Section 105.22, subsection 4, Code 2020, is amended
22 by striking the subsection.
23 Sec. 10. Section 147.3, Code 2020, is amended to read as
24 follows:
25 **147.3 Qualifications.**
26 An applicant for a license to practice a profession under
27 this subtitle is not ineligible because of age, citizenship,
28 sex, race, religion, marital status, or national origin,
29 although the application form may require citizenship
30 information. ~~A board may consider the past criminal record of~~
31 ~~an applicant only if the conviction relates to the practice of~~
32 ~~the profession for which the applicant requests to be licensed.~~
33 Sec. 11. Section 147.55, subsection 5, Code 2020, is amended
34 by striking the subsection.
35 Sec. 12. Section 147A.7, subsection 1, paragraph j, Code

2020, is amended by striking the paragraph.

Sec. 13. Section 148.6, subsection 2, paragraph b, Code 2020, is amended by striking the paragraph.

Sec. 14. Section 148H.7, subsection 1, paragraph a, Code 2020, is amended by striking the paragraph.

Sec. 15. Section 151.9, subsection 5, Code 2020, is amended by striking the subsection.

Sec. 16. Section 152.10, subsection 2, paragraph c, Code 2020, is amended by striking the paragraph.

Sec. 17. Section 153.34, subsection 9, Code 2020, is amended by striking the subsection.

Sec. 18. Section 154A.24, subsection 1, Code 2020, is amended by striking the subsection.

Sec. 19. Section 156.9, subsection 2, paragraph e, Code 2020, is amended by striking the paragraph.

Sec. 20. Section 272.1, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. *"Offense directly relates"* refers to either of the following:

a. The actions taken in furtherance of an offense are actions customarily performed within the scope of practice of a licensed profession.

b. The circumstances under which an offense was committed are circumstances customary to a licensed profession.

Sec. 21. Section 272.2, subsection 14, paragraph a, Code 2020, is amended to read as follows:

a. The board may deny a license to or revoke the license of a person upon the board's finding by a preponderance of evidence that either the person has been convicted of ~~a crime~~ an offense and the offense directly relates to the duties and responsibilities of the profession or that there has been a founded report of child abuse against the person. Rules adopted in accordance with this paragraph shall provide that in determining whether a person should be denied a license or that a practitioner's license should be revoked, the board

shall consider the nature and seriousness of the founded abuse or crime in relation to the position sought, the time elapsed since the crime was committed, the degree of rehabilitation which has taken place since the incidence of founded abuse or the commission of the crime, the likelihood that the person will commit the same abuse or crime again, and the number of founded abuses committed by or criminal convictions of the person involved.

Sec. 22. Section 272C.1, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. *"Offense directly relates"* refers to either of the following:

a. The actions taken in furtherance of an offense are actions customarily performed within the scope of practice of a licensed profession.

b. The circumstances under which an offense was committed are circumstances customary to a licensed profession.

Sec. 23. Section 272C.10, subsection 5, Code 2020, is amended by striking the subsection and inserting in lieu thereof the following:

5. Conviction of a felony offense, if the offense directly relates to the profession or occupation of the licensee, in the courts of this state or another state, territory, or country. Conviction as used in this subsection includes a conviction of an offense which if committed in this state would be a felony without regard to its designation elsewhere, and includes a finding or verdict of guilt made or returned in a criminal proceeding even if the adjudication of guilt is withheld or not entered. A certified copy of the final order or judgment of conviction or plea of guilty in this state or in another state constitutes conclusive evidence of the conviction.

Sec. 24. NEW SECTION. **272C.12 Disqualifications for criminal convictions limited.**

1. Notwithstanding any other provision of law to the contrary, except for chapter 272, a person's conviction of a

1 crime may be grounds for the denial, revocation, or suspension
2 of a license only if an unreasonable risk to public safety
3 exists because the offense directly relates to the duties
4 and responsibilities of the profession and the appropriate
5 licensing board, agency, or department does not grant an
6 exception pursuant to subsection 4.
7 2. A licensing board, agency, or department that may deny a
8 license on the basis of an applicant's conviction record shall
9 provide a list of the specific convictions that may disqualify
10 an applicant from receiving a license. Any such offense
11 shall be an offense that directly relates to the duties and
12 responsibilities of the profession.
13 3. A licensing board, agency, or department shall not deny
14 an application for a license on the basis of an arrest that
15 was not followed by a conviction or based on a finding that an
16 applicant lacks good character, suffers from moral turpitude,
17 or on other similar basis.
18 4. A licensing board, agency, or department shall grant
19 an exception to an applicant who would otherwise be denied a
20 license due to a criminal conviction if the following factors
21 establish by clear and convincing evidence that the applicant
22 is rehabilitated and an appropriate candidate for licensure:
23 *a.* The nature and seriousness of the crime for which the
24 applicant was convicted.
25 *b.* The amount of time that has passed since the commission
26 of the crime. There is a rebuttable presumption that an
27 applicant is rehabilitated and an appropriate candidate
28 for licensure five years after the date of the applicant's
29 release from incarceration, provided that the applicant was
30 not convicted of sexual abuse in violation of section 709.4,
31 a sexually violent offense as defined in section 229A.2,
32 dependent adult abuse in violation of section 235B.20, a
33 forcible felony as defined in section 702.11, or domestic abuse
34 assault in violation of section 708.2A, and the applicant
35 has not been convicted of another crime after release from

incarceration.

c. The circumstances relative to the offense, including any aggravating and mitigating circumstances or social conditions surrounding the commission of the offense.

d. The age of the applicant at the time the offense was committed.

e. Any treatment undertaken by the applicant.

f. Whether a certification of employability has been issued to the applicant pursuant to section 906.19.

g. Any letters of reference submitted on behalf of the applicant.

h. All other relevant evidence of rehabilitation and present fitness of the applicant.

5. An applicant may petition the relevant licensing board, agency, or department, in a form prescribed by the board, agency, or department, for a determination as to whether the applicant's criminal record will prevent the applicant from receiving a license. The board, agency, or department shall issue such a determination at the next regularly scheduled meeting of the board, agency, or department or within thirty days of receiving the petition, whichever is later. The board, agency, or department shall hold a closed session while determining whether an applicant's criminal record will prevent the applicant from receiving a license and while determining whether to deny an applicant's application on the basis of an applicant's criminal conviction. A board, agency, or department may charge a fee to recoup the costs of such a determination, provided that such fee shall not exceed twenty-five dollars.

6. *a.* A licensing board, agency, or department that denies an applicant a license solely or partly because of the applicant's prior conviction of a crime shall notify the applicant in writing of all of the following:

(1) The grounds for the denial or disqualification.

(2) That the applicant has the right to a hearing to

1 challenge the licensing authority's decision.
2 (3) The earliest date the applicant may submit a new
3 application.
4 (4) That evidence of rehabilitation of the applicant may be
5 considered upon reapplication.
6 *b.* A determination by a licensing board, agency, or
7 department that an applicant's criminal conviction is
8 specifically listed as a disqualifying conviction and the
9 offense directly relates to the duties and responsibilities
10 of the applicant's profession must be documented in written
11 findings for each factor specified in subsection 4 sufficient
12 for a review by a court.
13 *c.* In any administrative or civil hearing authorized by
14 this section or chapter 17A, a licensing board, agency, or
15 department shall carry the burden of proof on the question of
16 whether the applicant's criminal offense directly relates to
17 the duties and responsibilities of the profession for which the
18 license is sought.
19 7. A board, agency, or department may require an applicant
20 with a criminal record to submit the applicant's complete
21 criminal record detailing an applicant's offenses with an
22 application. A board, agency, or department may also require
23 an applicant with a criminal record to submit a personal
24 statement regarding whether each offense directly relates to
25 the duties and performance of the applicant's occupation. For
26 the purposes of this subsection, *"complete criminal record"*
27 includes the complaint and judgment of conviction for each
28 offense of which the applicant has been convicted.
29 Sec. 25. RULEMAKING PROCEDURES AND APPLICABILITY.
30 1. The boards designated in section 147.13 other than the
31 board of medicine, the board of nursing, the dental board, and
32 the board of pharmacy, when carrying out rulemaking pursuant to
33 chapter 17A to implement the provisions of this Act, shall each
34 adopt the same rules, which shall be applicable to all such
35 boards. The bureau of professional licensure of the department

of public health shall assist the boards in carrying out such rulemaking.

2. The accountancy examining board, the architectural examining board, the engineering and land surveying examining board, the interior design examining board, the landscape architectural examining board, and the real estate commission, when carrying out rulemaking pursuant to chapter 17A to implement the provisions of this Act, shall each adopt the same rules, which shall be applicable to all such boards and the real estate commission. The professional licensing bureau of the department of commerce shall assist the boards and the real estate commission in carrying out such rulemaking.

3. This section shall not apply to any rulemaking pursuant to chapter 17A by a board or commission to implement the provisions of this Act that the board or commission determines is necessary to address circumstances or legal requirements uniquely applicable to the board or commission.

Sec. 26. EFFECTIVE DATE. This Act takes effect January 1, 2021.>

2. Title page, by striking lines 1 through 4 and inserting <An Act relating to disqualifications from holding a professional license in this state due to criminal convictions, and including effective date provisions.>

By NATE BOULTON

S-5153 FILED JUNE 13, 2020

LOST

HOUSE FILE 2641

S-5157

1 Amend House File 2641, as amended, passed, and reprinted by
2 the House, as follows:
3 1. By striking everything after the enacting clause and
4 inserting:
5 <DIVISION I
6 DEPARTMENT OF REVENUE ADMINISTRATION AND PENALTY PROVISIONS
7 Section 1. Section 421.6, Code 2020, is amended to read as
8 follows:
9 **421.6 Definition of return.**
10 For purposes of this title, unless the context otherwise
11 requires, *"return"* means any tax or information return, amended
12 return, declaration of estimated tax, or claim for refund
13 that is required by, provided for, or permitted under, the
14 provisions of this title or section 533.329, and which is filed
15 with the department by, on behalf of, or with respect to any
16 person. *"Return"* includes any amendment or supplement to these
17 items, including supporting schedules, attachments, or lists
18 which are supplemental to or part of the filed return.
19 Sec. 2. Section 421.17, Code 2020, is amended by adding the
20 following new subsection:
21 NEW SUBSECTION. 36. To enter into an agreement pursuant
22 to chapter 28E with the state fair organized under chapter 173
23 or with a fair defined in section 174.1, to collect and remit
24 taxes and fees from sellers making sales at retail on property
25 owned, controlled, or operated by a fair or through events
26 conducted by a fair.
27 Sec. 3. Section 421.27, subsection 1, Code 2020, is amended
28 to read as follows:
29 1. *Failure to timely file a return or deposit form.*
30 *a.* If a person fails to file with the department on or
31 before the due date a return or deposit form there shall be
32 added to the tax shown due or required to be shown due a penalty
33 of ten percent of the tax shown due or required to be shown due.
34 *b.* In the case of a specified business with no tax shown
35 due or required to be shown due that fails to timely file an

income return, the specified business shall pay the greater of the following penalty amounts:

(1) Two hundred dollars.

(2) An amount equal to ten percent of the imputed Iowa liability of the specified business, not to exceed twenty-five thousand dollars.

c. The penalty, if assessed pursuant to paragraph *"a"* or *"b"*, shall be waived by the department upon a showing of any of the following conditions:

~~*a.*~~ (1) ~~At~~ An amount of tax greater than zero is required to be shown due and at least ninety percent of the tax required to be shown due has been paid by the due date of the tax.

~~*b.*~~ (2) Those taxpayers who are required to file quarterly returns, or monthly or semimonthly deposit forms may have one late return or deposit form within a three-year period. The use of any other penalty exception will not count as a late return or deposit form for purposes of this exception.

~~*c.*~~ (3) The death of a taxpayer, death of a member of the immediate family of the taxpayer, or death of the person directly responsible for filing the return and paying the tax, when the death interferes with timely filing.

~~*d.*~~ (4) The onset of serious, long-term illness or hospitalization of the taxpayer, of a member of the immediate family of the taxpayer, or of the person directly responsible for filing the return and paying the tax.

~~*e.*~~ (5) Destruction of records by fire, flood, or other act of God.

~~*f.*~~ (6) The taxpayer presents proof that the taxpayer relied upon applicable, documented, written advice specifically made to the taxpayer, to the taxpayer's preparer, or to an association representative of the taxpayer from the department, state department of transportation, county treasurer, or federal internal revenue service, whichever is appropriate, that has not been superseded by a court decision, ruling by a quasi-judicial body, or the adoption, amendment, or repeal of

a rule or law.

~~g.~~ (7) Reliance upon results in a previous audit was a direct cause for the failure to file where the previous audit expressly and clearly addressed the issue and the previous audit results have not been superseded by a court decision, or the adoption, amendment, or repeal of a rule or law.

~~h.~~ (8) Under rules prescribed by the director, the taxpayer presents documented proof of substantial authority to rely upon a particular position or upon proof that all facts and circumstances are disclosed on a return or deposit form.

~~i.~~ (9) The return, deposit form, or payment is timely, but erroneously, mailed with adequate postage to the internal revenue service, another state agency, or a local government agency and the taxpayer provides proof of timely mailing with adequate postage.

~~j.~~ (10) The tax has been paid by the wrong licensee and the payments were timely remitted to the department for one or more tax periods prior to notification by the department.

~~k.~~ (11) The failure to file was discovered through a sanctioned self-audit program conducted by the department.

~~l.~~ (12) If the availability of funds in payment of tax required to be made through electronic funds transfer is delayed and the delay of availability is due to reasons beyond the control of the taxpayer. *"Electronic funds transfer"* means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal telephone, computer, magnetic tape, or similar device for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

~~m.~~ (13) The failure to file a timely inheritance tax return resulting solely from a disclaimer that required the personal representative to file an inheritance tax return. The penalty shall be waived if such return is filed and any tax due is paid within the later of nine months from the date of death or sixty

days from the delivery or filing of the disclaimer pursuant to section 633E.12.

~~*n.*~~ (14) That an Iowa inheritance tax return is filed for an estate within the later of nine months from the date of death or sixty days from the filing of a disclaimer by the beneficiary of the estate refusing to take the property or right or interest in the property.

Sec. 4. Section 421.27, subsections 4 and 6, Code 2020, are amended to read as follows:

4. *Willful failure to file or deposit.*

a. (1) In case of willful failure to file a return or deposit form with the intent to evade tax or a filing requirement, or in case of willfully filing a false return or deposit form with the intent to evade tax, in lieu of the penalties otherwise provided in this section, a penalty of seventy-five percent shall be added to the amount shown due or required to be shown as tax on the return or deposit form.

(2) In case of a willful failure by a specified business to file an income return with no tax shown due or required to be shown due with intent to evade a filing requirement, or in case of willfully filing a false income return with no tax shown due or required to be shown due with the intent to evade reporting of Iowa-source income, the penalty imposed shall be the greater of the following amounts:

(a) One thousand five hundred dollars.

(b) An amount equal to seventy-five percent of the imputed Iowa liability of the specified business.

(3) If penalties are applicable for failure to file a return or deposit form and failure to pay the tax shown due or required to be shown due on the return or deposit form, the penalty provision for failure to file shall be in lieu of the penalty provisions for failure to pay the tax shown due or required to be shown due on the return or deposit form, except in the case of willful failure to file a return or deposit form or willfully filing a false return or deposit form with intent

to evade tax.

b. The penalties imposed under this subsection are not subject to waiver.

6. ~~*Improper receipt of payments*~~ *Liability — fraudulent practice.* A person who makes an erroneous application for refund, credit, reimbursement, rebate, or other payment shall be liable for any overpayment received or tax liability reduced plus interest at the rate in effect under section 421.7.

a. In addition, a person ~~who willfully~~ commits a fraudulent practice and is liable for a penalty equal to seventy-five percent of the refund, credit, exemption, reimbursement, rebate, or other payment or benefit being claimed if the person does any of the following:

(1) Willfully makes a false or frivolous application for refund, credit, exemption, reimbursement, rebate, or other payment or benefit with intent to evade tax or with intent to receive a refund, credit, exemption, reimbursement, rebate, or other payment or benefit, to which the person is not entitled ~~is guilty of a fraudulent practice and is liable for a penalty equal to seventy-five percent of the refund, credit, reimbursement, rebate, or other payment being claimed~~.

(2) Willfully submits any false information, document, or document containing false information in support of an application for refund, credit, exemption, reimbursement, rebate, or other payment or benefit with the intent to evade tax.

(3) Willfully submits with any false information, document, or document containing false information in support of an application for refund with the intent to receive a refund, credit, exemption, reimbursement, rebate, or other payment benefit, to which the person is not entitled.

b. Payments, penalties, and interest due under this subsection may be collected and enforced in the same manner as the tax imposed.

Sec. 5. Section 421.27, Code 2020, is amended by adding the

1 following new subsections:
2 NEW SUBSECTION. 8. *Definitions.* As used in this section:
3 *a. "Imputed Iowa liability"* means any of the following:
4 (1) In the case of corporations other than corporations
5 described in section 422.34 or section 422.36, subsection 5,
6 the corporation's Iowa net income after the application of the
7 Iowa business activity ratio, if applicable, multiplied by the
8 top income tax rate imposed under section 422.33 for the tax
9 year.
10 (2) In the case of financial institutions as defined in
11 section 422.61, the financial institution's Iowa net income
12 after the application of the Iowa business activity ratio, if
13 applicable, multiplied by the franchise tax rate imposed under
14 section 422.63 for the tax year.
15 (3) In this case of all other entities, including
16 corporations described in section 422.36, subsection 5, and all
17 other entities required to file an information return under
18 section 422.15, subsection 2, the entity's Iowa net income
19 after the application of the Iowa business activity ratio, if
20 applicable, multiplied by the top income tax rate imposed under
21 section 422.5A for the tax year.
22 *b. "Income return"* means an income tax return or information
23 return required under section 422.15, subsection 2, or section
24 422.36, 422.37, or 422.62.
25 *c. "Specified business"* means a partnership or other entity
26 required to file an information return under section 422.15,
27 subsection 2, a corporation required to file a return under
28 section 422.36 or 422.37, or a financial institution required
29 to file a return under section 422.62.
30 NEW SUBSECTION. 9. *Additional penalty.* In addition to the
31 penalties imposed by this section, if a taxpayer fails to file
32 a return within ninety days of written notice by the department
33 that the taxpayer is required to do so, there shall be added to
34 the amount shown due or required to be shown due a penalty in
35 the amount of one thousand dollars.

1 Sec. 6. NEW SECTION. **421.27A Perjury.**
2 1. For purposes of this title, a form, application, or any
3 other documentation required or requested by the department
4 shall be required to be certified under penalty of perjury that
5 the information contained in the form, application, or other
6 documentation is true and correct.
7 2. A person commits a class "D" felony under any of the
8 following circumstances:
9 *a.* The person makes a form, application, or other document
10 containing false information in support of an application for
11 refund, credit, exemption, reimbursement, rebate, or other
12 payment or benefit with intent to evade tax.
13 *b.* The person makes a form, application, or other document
14 containing false information with intent to unlawfully receive
15 a refund, credit, exemption, reimbursement, rebate, or other
16 payment or benefit, to which the person is not entitled.
17 *c.* The person knowingly makes any false affidavit.
18 *d.* The person knowingly swears or affirms falsely to any
19 matter or thing required by the terms of this title to be sworn
20 to or affirmed.
21 Sec. 7. NEW SECTION. **421.59 Power of attorney — authority**
22 **to act on behalf of taxpayer.**
23 1. *a.* A taxpayer may authorize an individual to act on
24 behalf of the taxpayer by filing a power of attorney with the
25 department, on a form prescribed by the department.
26 *b.* A taxpayer may at any time revoke a power of attorney
27 filed with the department pursuant to subsection 1. Upon
28 processing of the taxpayer's revocation of a power of attorney,
29 the department shall cease honoring the power of attorney.
30 2. The department may authorize the following persons to act
31 and receive information on behalf of and exercise all of the
32 rights of a taxpayer, regardless of whether a power of attorney
33 has been filed pursuant to subsection 1:
34 *a.* A guardian, conservator, or custodian appointed by a
35 court, if a taxpayer has been deemed legally incompetent by a

1 court. The authority of the appointee to act on behalf of the
2 taxpayer shall be limited to the extent specifically stated in
3 the order of appointment.
4 (1) Upon request, a guardian, conservator, or custodian of
5 a taxpayer shall submit to the department a copy of the court
6 order appointing the guardian, conservator, or custodian.
7 (2) The department may petition the court that appointed the
8 guardian, conservator, or custodian to verify the appointment
9 or to determine the scope of the appointment.
10 *b.* A receiver appointed pursuant to chapter 680. An
11 appointed receiver shall be limited to act on behalf of the
12 taxpayer by the authority stated in the order of appointment.
13 (1) Upon the request of the department, a receiver shall
14 submit to the department a copy of the court order appointing
15 the receiver.
16 (2) The department may petition the court that appointed the
17 receiver to verify the appointment or to determine the scope
18 of the appointment.
19 *c.* An individual who has been named as an authorized
20 representative on a fiduciary return of income filed under
21 section 422.14 or a tax return filed under chapter 450.
22 *d.* (1) An individual holding the following title or
23 position within a corporation, association, partnership, or
24 other business entity:
25 (a) A president or chief executive officer, or any other
26 officer of the corporation or association if the president or
27 chief executive officer certifies that the officer has the
28 authority to legally bind the corporation or association.
29 (b) A designated partner duly authorized to act on behalf
30 of the partnership.
31 (c) A person authorized to act on behalf of a limited
32 liability company in tax matters pursuant to a valid statement
33 of authority.
34 (2) An individual seeking to act on behalf of a taxpayer
35 pursuant to this paragraph shall file an affidavit with the

1 department attesting to the identity and qualifications of the
2 individual and any necessary certifications required under this
3 paragraph. The department may require any documents or other
4 evidence to demonstrate the individual has authority to act on
5 behalf of the taxpayer before the department.
6 *e.* A licensed attorney who has appeared on behalf of the
7 taxpayer or the taxpayer's estate in a court proceeding.
8 Authorization under this paragraph is limited to those matters
9 within the scope of the representation.
10 *f.* A parent or guardian of a taxpayer who has not reached
11 the age of majority where the parent or guardian has signed the
12 taxpayer's return on behalf of the taxpayer. Authorization
13 under this paragraph is limited to those matters relating to
14 the return signed by the parent or guardian. Authorization
15 under this paragraph automatically terminates when the taxpayer
16 reaches the age of majority pursuant to section 599.1.
17 3. *a.* In lieu of executing a power of attorney pursuant
18 to subsection 1, the department may enter into a memorandum of
19 understanding with the taxpayer for each employee, officer,
20 or member of a third-party entity engaged with or otherwise
21 hired by a taxpayer to manage the tax matters of the taxpayer,
22 to permit the disclosure of confidential tax information to
23 the third-party entity and the authority to act on behalf of
24 the taxpayer. The memorandum of understanding shall adhere to
25 requirements as established by the director.
26 *b.* The memorandum of understanding shall be signed by
27 the director, the taxpayer, and the third-party entity or an
28 authorized representative of the third-party entity.
29 *c.* At any time, a taxpayer may unilaterally revoke
30 a memorandum of understanding entered into pursuant to
31 this subsection by filing a notice of revocation with the
32 department. Upon the filing of such a revocation by the
33 taxpayer, the department shall cease honoring the memorandum
34 of understanding.
35 4. The department shall adopt rules pursuant to chapter 17A

1 to administer this section.
2 Sec. 8. Section 421.60, subsection 2, paragraph a,
3 subparagraph (2), Code 2020, is amended to read as follows:
4 (2) The statement prepared in accordance with this
5 paragraph shall be available on the department's internet site.
6 The internet site for this information shall be distributed by
7 the department to all taxpayers at the first contact by the
8 department with respect to the determination or collection of
9 any tax, except in the case of simply providing tax forms.
10 Sec. 9. Section 421.60, Code 2020, is amended by adding the
11 following new subsection:
12 NEW SUBSECTION. 11. *Electronic communication.*
13 Notwithstanding any provision of the law to the contrary, for
14 purposes of this title and sections 321.105A and 533.329, a
15 taxpayer may elect to receive any notices, correspondence,
16 or other communication electronically that the department is
17 required to send by regular mail. The director may establish
18 procedures and limitations for obtaining this election from the
19 taxpayer.
20 Sec. 10. Section 421.62, subsection 1, Code 2020, is amended
21 by adding the following new paragraph:
22 NEW PARAGRAPH. *0b. "Income tax return or claim for refund"*
23 means any tax return or claim for refund under chapter 422,
24 excluding withholding returns under section 422.16.
25 Sec. 11. Section 421.62, subsection 1, paragraph c,
26 subparagraph (1), Code 2020, is amended to read as follows:
27 (1) *"Tax return preparer"* means any individual who, for
28 a fee or other consideration, prepares ten or more income
29 tax returns or claims for refund ~~under chapter 422~~ during
30 a calendar year, or who assumes final responsibility for
31 completed work on such income tax returns or claims for refund
32 ~~under chapter 422~~ on which preliminary work has been done by
33 another individual.
34 Sec. 12. Section 421.62, subsection 2, paragraph a, Code
35 2020, is amended to read as follows:

a. On or after January 1, 2020, a tax return preparer is required to include the tax return preparer's PTIN on any income tax return or claim for refund prepared by the tax return preparer and filed ~~under chapter 422~~ with the department.

Sec. 13. Section 421.64, subsection 1, Code 2020, is amended to read as follows:

1. For purposes of this section, *"tax return preparer"* means the same as defined in section ~~421.61~~ 421.62.

Sec. 14. Section 422.20, subsections 1 and 2, Code 2020, are amended to read as follows:

1. It shall be unlawful for any present or former officer or employee of the state to willfully or recklessly divulge or to make known in any manner whatever not provided by law to any person the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return, or to permit any income return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to willfully or recklessly print or publish in any manner whatever not provided by law any income return, or any part thereof or source of income, profits, losses, or expenditures appearing in any income return; and any person committing an offense against the foregoing provision shall be guilty of a serious misdemeanor. If the offender is an officer or employee of the state, such person shall also be dismissed from office or discharged from employment. Nothing herein shall prohibit turning over to duly authorized officers of the United States or tax officials of other states state information and income returns pursuant to agreement between the director and the secretary of the treasury of the United States or the secretary's delegate or pursuant to a reciprocal agreement with another state.

2. It is unlawful for an officer, employee, or agent, or former officer, employee, or agent of the state to willfully

1 or recklessly disclose to any person, except as authorized
2 in subsection 1 of this section, any federal tax return
3 or return information as defined in section 6103(b) of the
4 Internal Revenue Code. It is unlawful for a person to whom
5 any federal tax return or return information, as defined in
6 section 6103(b) of the Internal Revenue Code, is disclosed
7 in a manner unauthorized by subsection 1 of this section
8 to thereafter willfully or recklessly print or publish in
9 any manner not provided by law any such return or return
10 information. A person violating this provision is guilty of
11 a serious misdemeanor.
12 Sec. 15. Section 422.20, subsection 3, paragraph a, Code
13 2020, is amended to read as follows:
14 *a.* Unless otherwise expressly permitted by section 8A.504,
15 section 8G.4, section 11.41, section 96.11, subsection 6,
16 section 421.17, subsections 22, 23, and 26, section 421.17,
17 subsection 27, paragraph *"k"*, section 421.17, subsection 31,
18 section 252B.9, section 321.40, subsection 6, sections 321.120,
19 421.19, 421.28, 421.59, 422.72, and 452A.63, this section, or
20 another provision of law, a tax return, return information, or
21 investigative or audit information shall not be divulged to any
22 person or entity, other than the taxpayer, the department, or
23 internal revenue service for use in a matter unrelated to tax
24 administration.
25 Sec. 16. Section 422.20, Code 2020, is amended by adding the
26 following new subsections:
27 NEW SUBSECTION. 3A. The director may disclose the tax
28 return of a partnership, limited liability company, or S
29 corporation, any such return information, or any investigative
30 information related to the return, to any person who was a
31 partner, shareholder, or member of such an entity during any
32 part of the period covered by the return.
33 NEW SUBSECTION. 3B. *a.* Prior to being made available for
34 public inspection, the department shall redact from the record
35 in an appeal or contested case the following information from

any pleading, exhibit, attachment, motion, written evidence, final order, decision, or opinion:

(1) A financial account number.

(2) An account number generated by the department to identify an audit or examination.

(3) A social security number.

(4) A federal employer identification number.

(5) The name of a minor.

(6) A medical record or other medical information.

b. Upon a motion filed by the taxpayer, the department may redact from the record in an appeal or contested case any other information from a pleading, exhibit, attachment, motion, or written evidence, if the taxpayer proves by clear and convincing evidence that the release of such information would disclose a trade secret or be a clear, unwarranted invasion of personal privacy.

c. Notwithstanding paragraph *"a"*, when making final orders, decisions, or opinions available for public inspection, the department may disclose the items in paragraph *"a"* if the department determines such information is necessary to the resolution or decision of the appeal or case.

d. Except as described in paragraphs *"a"* and *"b"*, all information contained in a pleading, exhibit, attachment, motion, written evidence, final order, decision, opinion, and the record in an appeal or contested case is subject to examination to the extent provided by chapter 22.

Sec. 17. Section 422.25, subsection 1, Code 2020, is amended by adding the following new paragraph:

NEW PARAGRAPH. *c.* The period of examination and determination is unlimited under this title in the case of any action by the department to recover or rescind any tax expenditure as defined by section 2.48, subsection 1, or any other incentive or assistance, due to a failure to meet or maintain the requirements of a program administered by the economic development authority.

Sec. 18. Section 422.69, subsection 1, Code 2020, is amended to read as follows:

1. All fees, taxes, interest, and penalties imposed under this chapter shall be paid to the department in the form of remittances payable to the ~~state treasurer~~ department and the department shall transmit each payment daily to the state treasurer.

Sec. 19. Section 422.72, subsection 1, paragraph a, subparagraph (1), Code 2020, is amended to read as follows:

(1) It is unlawful for the director, or any person having an administrative duty under this chapter, or any present or former officer or other employee of the state authorized by the director to examine returns, to willfully or recklessly divulge in any manner whatever, the business affairs, operations, or information obtained by an investigation under this chapter of records and equipment of any person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to willfully or recklessly permit any return or copy of a return or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law.

Sec. 20. Section 422.72, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. *a.* Prior to being made available for public inspection, the department shall redact from the record in an appeal or contested case the following information from any pleading, exhibit, attachment, motion, written evidence, final order, decision, or opinion:

(1) A financial account number.

(2) An account number generated by the department to identify an audit or examination.

(3) A social security number.

(4) A federal employer identification number.

(5) The name of a minor.

(6) A medical record or other medical information.

b. Upon a motion filed by the taxpayer, the department may redact from the record in an appeal or contested case any other information from a pleading, exhibit, attachment, motion, or written evidence, if the taxpayer proves by clear and convincing evidence that the release of such information would disclose a trade secret or be a clear, unwarranted invasion of personal privacy.

c. Notwithstanding paragraph *"a"*, when making final orders, decisions, or opinions available for public inspection, the department may disclose the items in paragraph *"a"* if the department determines such information is necessary to the resolution or decision of the appeal or case.

d. Except as described in paragraphs *"a"* and *"b"*, all information contained in a pleading, exhibit, attachment, motion, written evidence, final order, decision, opinion, and the record in an appeal or contested case is subject to examination to the extent provided by chapter 22.

Sec. 21. Section 423.37, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The period of limitation on examination and determination is unlimited under this title in the case of any action by the department to recover or rescind any tax expenditure as defined by section 2.48, subsection 1, or any other incentive or assistance, due to a failure to meet or maintain the requirements of a program administered by the economic development authority.

Sec. 22. Section 428A.1, subsection 3, Code 2020, is amended to read as follows:

3. The declaration of value shall state the full consideration paid for the real property transferred. If agricultural land, as defined in section 9H.1, is purchased by a corporation, limited partnership, trust, alien or nonresident alien, the declaration of value shall include the name and address of the buyer, the name and address of the seller, a

legal description of the agricultural land, and identify the buyer as a corporation, limited partnership, trust, alien, or nonresident alien. The county recorder shall not record the declaration of value, but shall enter on the declaration of value information the director of revenue requires for the production of the sales/assessment ratio study and transmit all declarations of value to the city or county assessor in whose jurisdiction the property is located. The city or county assessor shall ~~enter on the declaration of value~~ provide the information the director of revenue requires for the production of the sales/assessment ratio study ~~and transmit one copy of each declaration of value to the director of revenue,~~ at times as directed by the director of revenue. The assessor shall retain ~~one copy of each declaration of value~~ for three years from December 31 of the year in which the transfer of realty for which the declaration was filed took place. The director of revenue shall, upon receipt of the information required to be filed under this chapter by the city or county assessor, send to the office of the secretary of state that part of the declaration of value which identifies a corporation, limited partnership, trust, alien, or nonresident alien as a purchaser of agricultural land as defined in section 9H.1.

Sec. 23. Section 441.48, Code 2020, is amended to read as follows:

441.48 Notice of adjustment.

1. Before the department of revenue shall adjust the valuation of any class of property any such percentage, the department shall first serve ten days' notice by mail, on the county auditor of the county whose valuation is proposed to be adjusted. ~~The department shall hold an adjourned meeting after such~~

2. If the county or assessing jurisdiction intends to protest the proposed adjustment, the board of supervisors or city council, as applicable, shall provide the department with notice of intent to protest prior to expiration of the ten

days' notice.

3. After expiration of the ten days' notice, ~~at which time~~ the county or assessing jurisdiction may appear by its city council or board of supervisors, city or county attorney, ~~and other assessing jurisdiction,~~ or city or county officials, and make written or oral protest against such proposed adjustment.

4. The protest shall consist simply of a statement of the error, or errors, complained of with such facts as may lead to their correction. ~~At the adjourned meeting~~

5. After written protest is received, or an oral protest is heard, the final action may be taken in reference to the proposed adjustment.

Sec. 24. Section 489.706, subsection 2, Code 2020, is amended to read as follows:

2. The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the ~~departments~~ department of ~~revenue and~~ workforce development. The ~~departments~~ department of ~~revenue and~~ workforce development shall report to the secretary of state the tax status of the limited liability company. If ~~either~~ the department reports to the secretary of state that a filing delinquency or liability exists against the limited liability company, the secretary of state shall not cancel the declaration of dissolution until the filing delinquency or liability is satisfied.

Sec. 25. Section 490.1422, subsection 2, paragraph a, Code 2020, is amended to read as follows:

a. The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the ~~departments~~ department of ~~revenue and~~ workforce development. The ~~departments~~ department of ~~revenue and~~ workforce development shall report to the secretary of state the tax status of the corporation. If ~~either~~ the department reports to the secretary of state that a filing delinquency or liability exists against the corporation,

the secretary of state shall not cancel the certificate of dissolution until the filing delinquency or liability is satisfied.

Sec. 26. Section 501.813, subsection 2, paragraph a, Code 2020, is amended to read as follows:

a. The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the ~~departments~~ department of ~~revenue and~~ workforce development. The ~~departments~~ department of ~~revenue and~~ workforce development shall report to the secretary of state the tax status of the cooperative. If ~~either~~ the department reports to the secretary of state that a filing delinquency or liability exists against the cooperative, the secretary of state shall not cancel the certificate of dissolution until the filing delinquency or liability is satisfied.

Sec. 27. Section 504.1423, subsection 2, paragraph a, Code 2020, is amended to read as follows:

a. The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the ~~departments~~ department of ~~revenue and~~ workforce development. The ~~departments~~ department of ~~revenue and~~ workforce development shall report to the secretary of state the tax status of the corporation. If ~~either~~ the department reports to the secretary of state that a filing delinquency or liability exists against the corporation, the secretary of state shall not cancel the certificate of dissolution until the filing delinquency or liability is satisfied.

Sec. 28. Section 533.329, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 03. Returns shall be in the form the director of revenue prescribes, and shall be filed with the department of revenue on or before the last day of the fourth month after the expiration of the tax year. The moneys and

1 credits tax is due and payable on the last day of the fourth
2 month after the expiration of the tax year.
3 Sec. 29. Section 533.329, subsection 3, Code 2020, is
4 amended to read as follows:
5 3. The department of revenue shall administer and enforce
6 the provisions of this section, and except as explicitly
7 provided in this section or another provision of law, shall
8 apply all applicable penalty, interest, and administrative
9 provisions of chapters 421 and 422 as nearly as possible in
10 administering and enforcing the moneys and credits tax imposed
11 by this section.
12 Sec. 30. LEGISLATIVE INTENT. It is the intent of the
13 general assembly that the sections of this division amending
14 Code sections 422.25 and 423.37 are conforming amendments
15 consistent with current state law, and that the amendments
16 do not change the application of current law but instead
17 reflect current law both before and after the enactment of this
18 division of this Act.
19 Sec. 31. EFFECTIVE DATE. The following, being deemed of
20 immediate importance, take effect upon enactment:
21 1. The section of this division of this Act amending section
22 422.25.
23 2. The section of this division of this Act amending section
24 423.37.
25 Sec. 32. APPLICABILITY. The following applies to any
26 return for which a written notice that the taxpayer is required
27 to file such return is issued by the department on or after
28 January 1, 2022:
29 The portion of the section of this division of this Act
30 enacting section 421.27, subsection 9.
31 Sec. 33. APPLICABILITY. The following apply to tax years
32 beginning on or after January 1, 2022:
33 1. The section of this division of this Act amending section
34 421.27, subsection 1.
35 2. The portion of the section of this division of this Act

amending section 421.27, subsection 4.

3. The portion of the section of this division of this Act enacting section 421.27, subsection 8.

DIVISION II

SALES AND USE TAX

Sec. 34. Section 321G.4, subsection 2, Code 2020, is amended to read as follows:

2. *a.* The owner of the snowmobile shall file an application for registration with the department through the county recorder of the county of residence in the manner established by the commission. The application shall be completed by the owner and shall be accompanied by a fee of fifteen dollars and a writing fee as provided in section 321G.27. A snowmobile shall not be registered by the county recorder until the county recorder is presented with receipts, bills of sale, or other satisfactory evidence that the sales or use tax has been paid for the purchase of the snowmobile or that the owner is exempt from paying the tax. A snowmobile that has an expired registration certificate from another state may be registered in this state upon proper application, payment of all applicable registration and writing fees, and payment of a penalty of five dollars.

b. If the owner of the snowmobile is unable to present satisfactory evidence that the sales or use tax has been paid, the county recorder shall collect the tax. On or before the tenth day of each month, the county recorder shall remit to the department of revenue the amount of the taxes collected during the preceding month, together with an itemized statement on forms furnished by the department of revenue showing the name of each taxpayer, the make and purchase price of each snowmobile, the amount of tax paid, and such other information as the department of revenue requires.

Sec. 35. Section 321I.4, subsection 2, Code 2020, is amended to read as follows:

2. *a.* The owner of the all-terrain vehicle shall file an

application for registration with the department through the county recorder of the county of residence, or in the case of a nonresident owner, in the county of primary use, in the manner established by the commission. The application shall be completed by the owner and shall be accompanied by a fee of fifteen dollars and a writing fee as provided in section 321I.29. An all-terrain vehicle shall not be registered by the county recorder until the county recorder is presented with receipts, bills of sale, or other satisfactory evidence that the sales or use tax has been paid for the purchase of the all-terrain vehicle or that the owner is exempt from paying the tax. An all-terrain vehicle that has an expired registration certificate from another state may be registered in this state upon proper application, payment of all applicable registration and writing fees, and payment of a penalty of five dollars.

b. If the owner of the all-terrain vehicle is unable to present satisfactory evidence that the sales or use tax has been paid, the county recorder shall collect the tax. On or before the tenth day of each month, the county recorder shall remit to the department of revenue the amount of the taxes collected during the preceding month, together with an itemized statement on forms furnished by the department of revenue showing the name of each taxpayer, the make and purchase price of each all-terrain vehicle, the amount of tax paid, and such other information as the department of revenue requires.

Sec. 36. Section 423.2, subsection 6, paragraph bs, Code 2020, is amended to read as follows:

bs. Services arising from or related to installing, maintaining, servicing, repairing, operating, upgrading, or enhancing either specified digital products or software sold as tangible personal property.

Sec. 37. Section 423.2, subsection 8, paragraph d, subparagraph (1), Code 2020, is amended to read as follows:

(1) The retail sale of tangible personal property or specified digital product and a service, where the tangible

personal property or specified digital product is essential to the use of the service, and is provided exclusively in connection with the service, and the true object of the transaction is the service.

Sec. 38. Section 423.3, subsection 3A, Code 2020, is amended to read as follows:

3A. The sales price from the sale of a commercial recreation service offering the opportunity to hunt a preserve whitetail as defined in section 484C.1 if the sale occurred between July 1, 2005, and December 31, 2015.

Sec. 39. Section 423.3, subsection 31, unnumbered paragraph 1, Code 2020, is amended to read as follows:

The sales price of tangible personal property or specified digital products sold to and of services furnished to a tribal government as defined in 216A.161, or the sales price of tangible personal property or specified digital products sold to and of services furnished, and used for public purposes sold to a tax-certifying or tax-levying body of the state or a governmental subdivision of the state, including the following: regional transit systems, as defined in section 324A.1~~,~~; the state board of regents~~,~~; department of human services~~,~~; state department of transportation~~,~~; any municipally owned solid waste facility which sells all or part of its processed waste as fuel to a municipally owned public utility~~,~~; and all divisions, boards, commissions, agencies, or instrumentalities of state, federal, county, ~~or~~ municipal ~~government~~, or tribal government which have no earnings going to the benefit of an equity investor or stockholder, except any of the following:

Sec. 40. Section 423.3, subsection 80, paragraphs b and c, Code 2020, are amended to read as follows:

b. Subject to the limitations in paragraph *"c"*, if a contractor, subcontractor, or builder is to use building materials, supplies, ~~and~~ equipment, or services in the performance of a written construction contract with a designated exempt entity, the person shall purchase such

1 items of tangible personal property or services without
2 liability for the tax if such property or services will be
3 used in the performance of the written construction contract
4 and a purchasing agent authorization letter and an exemption
5 certificate, issued by the designated exempt entity, are
6 presented to the retailer.
7 *c.* (1) With regard to a written construction contract
8 with a designated exempt entity described in paragraph *"a"*,
9 subparagraph (1), the sales price of building materials,
10 supplies, ~~or~~ equipment, or services is exempt from tax by this
11 subsection only to the extent the building materials, supplies,
12 ~~or~~ equipment, or services are completely consumed in the
13 performance of the construction contract with the designated
14 exempt entity, and only if the property that is the subject
15 of the construction project becomes public property or the
16 property of the designated exempt entity.
17 (2) With regard to a written construction contract with
18 a designated exempt entity described in paragraph *"a"*,
19 subparagraph (2), the sales price of building materials,
20 supplies, ~~or~~ equipment, or services is exempt from tax by this
21 subsection only to the extent the building materials, supplies,
22 ~~or~~ equipment, or services are completely consumed in the
23 performance of a construction contract to construct a project,
24 as defined in section 15J.2, subsection 10, which project has
25 been approved by the economic development authority board in
26 accordance with chapter 15J.
27 Sec. 41. Section 423.4, subsection 1, Code 2020, is amended
28 to read as follows:
29 1. *a.* For purposes of this subsection, a *"designated exempt*
30 *entity"* means any of the following:
31 (1) A private nonprofit educational institution in this
32 state~~,~~.
33 (2) A nonprofit Iowa affiliate of a nonprofit international
34 organization whose primary activity is the promotion of the
35 construction, remodeling, or rehabilitation of one-family or

two-family dwellings for low-income families~~,~~.

(3) A nonprofit private museum in this state~~,~~.

(4) A tax-certifying or tax-levying body or governmental subdivision of the state, including the state board of regents, state department of human services, state department of transportation~~, a~~.

(5) A municipally owned solid waste facility which sells all or part of its processed waste as fuel to a municipally owned public utility~~, and all~~.

(6) The state of Iowa.

(7) Any political subdivision of the state.

(8) All divisions, boards, commissions, agencies, or instrumentalities of state, federal, county, or municipal government which do not have earnings going to the benefit of an equity investor or stockholder~~,~~.

(9) A tribal government as defined in section 216A.161, and any instrumentalities of the tribal government which do not have earnings going to the benefit of an equity investor or stockholder.

b. A designated exempt entity may ~~make application~~ apply to the department for the refund of the sales or use tax upon the sales price of all sales of ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or from services furnished to a contractor, used in the ~~fulfillment~~ performance of a written contract with the ~~state of Iowa, any political subdivision of the state, or a division, board, commission, agency, or instrumentality of the state or a political subdivision, a private nonprofit educational institution in this state, a nonprofit Iowa affiliate described in this subsection, or a nonprofit private museum in this state if the property becomes an integral part of the project under contract and at the completion of the project becomes public property, is devoted to educational uses, becomes part of a low-income one-family or two-family dwelling in the state, or becomes a nonprofit private museum; except goods, wares, or merchandise,~~

1 designated exempt entity if all of the following apply:
2 (1) The building materials, supplies, equipment, or
3 services are completely consumed in the performance of a
4 construction project with the designated entity.
5 (2) The property that is subject of the construction project
6 becomes public property or the property of an exempt entity.
7 (3) The building materials, supplies, equipment, or
8 services furnished ~~which~~ are not used in the performance of
9 any contract in connection with the operation of any municipal
10 utility engaged in selling gas, electricity, or heat to
11 the general public or in connection with the operation of a
12 municipal pay television system; and ~~except goods, wares, and~~
13 ~~merchandise~~ are not used in the performance of a contract for a
14 "project" under chapter 419 as defined in that chapter other
15 than goods, wares, or merchandise used in the performance of
16 a contract for a "project" under chapter 419 for which a bond
17 issue was approved by a municipality prior to July 1, 1968, or
18 for which the goods, wares, or merchandise becomes an integral
19 part of the project under contract and at the completion of the
20 project becomes public property or is devoted to educational
21 uses.
22 ~~*a.*~~ *c.* ~~Such~~ A contractor shall state under oath, on forms
23 provided by the department, the amount of such sales of goods,
24 wares, or merchandise, or services furnished and used in the
25 performance of such contract, and upon which sales or use tax
26 has been paid, and shall file such forms with the ~~governmental~~
27 ~~unit, private nonprofit educational institution, nonprofit Iowa~~
28 ~~affiliate, or nonprofit private museum~~ designated exempt entity
29 which has made any written contract for performance by the
30 contractor. The forms shall be filed by the contractor with
31 the ~~governmental unit, educational institution, nonprofit Iowa~~
32 ~~affiliate, or nonprofit private museum~~ designated exempt entity
33 before final settlement is made.
34 ~~*b.*~~ *d.* ~~Such governmental unit, educational institution,~~
35 ~~nonprofit Iowa affiliate, or nonprofit private museum~~ A

designated exempt entity shall, not more than one year after the final settlement has been made, ~~make application~~ apply to the department for any refund of the amount of the sales or use tax which shall have been paid upon any ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or services furnished, the application to be made in the manner and upon forms to be provided by the department, and the department shall forthwith audit the claim and, if approved, issue a warrant to the ~~governmental unit, educational institution, nonprofit Iowa affiliate, or nonprofit private museum~~ designated exempt entity in the amount of the sales or use tax which has been paid to the state of Iowa under the contract.

~~c.~~ *e.* Refunds authorized under this subsection shall accrue interest in accordance with section 421.60, subsection 2, paragraph *"e"*.

~~d.~~ *f.* Any contractor who willfully makes a false report of tax paid under the provisions of this subsection is guilty of a simple misdemeanor and in addition shall be liable for the payment of the tax and any applicable penalty and interest.

Sec. 42. Section 423.4, subsection 2, paragraphs a and b, Code 2020, are amended to read as follows:

a. A contractor awarded a contract for a transportation construction project is considered the consumer of all building materials, building supplies, ~~and~~ equipment, and services and shall pay sales tax to the supplier or remit consumer use tax directly to the department.

b. The contractor is not required to file information with the state department of transportation stating the amount of ~~goods, wares, or merchandise, or services rendered, furnished, or performed and~~ building materials, supplies, equipment, or services used in the performance of the contract or the amount of sales or use tax paid.

Sec. 43. Section 423.4, subsection 6, paragraph a, subparagraph (1), Code 2020, is amended to read as follows:

(1) The owner of a collaborative educational facility in this state may make application to the department for the refund of the sales or use tax upon the sales price of all sales of ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or from services furnished to a contractor, used in the fulfillment of a written construction contract with the owner of the collaborative educational facility for the original construction, or additions or modifications to, a building or structure to be used as part of the collaborative educational facility.

Sec. 44. Section 423.4, subsection 6, paragraphs b and c, Code 2020, are amended to read as follows:

b. ~~Such~~ A contractor shall state under oath, on forms provided by the department, the amount of such sales of ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or services furnished and used in the performance of such contract, and upon which sales or use tax has been paid, and shall file such forms with the owner of the collaborative educational facility which has made any written contract for performance by the contractor.

c. (1) The owner of the collaborative educational facility shall, not more than one year after the final settlement has been made, make application to the department for any refund of the amount of the sales or use tax which shall have been paid upon any ~~goods, wares, or merchandise~~ building materials, supplies, equipment, or services furnished, the application to be made in the manner and upon forms to be provided by the department, and the department shall forthwith audit the claim and, if approved, issue a warrant to the owner of the collaborative educational facility in the amount of the sales or use tax which has been paid to the state of Iowa under the contract.

(2) Refunds authorized under this subsection shall accrue interest in accordance with section 421.60, subsection 2, paragraph *"e"*.

Sec. 45. Section 423.5, subsection 1, paragraph b, Code 2020, is amended by striking the paragraph.

Sec. 46. Section 423.29, subsection 1, Code 2020, is amended to read as follows:

1. Every seller who is a retailer and who is making taxable sales of tangible personal property or specified digital products in Iowa or who is a retailer maintaining a place of business in this state making taxable sales of tangible personal property or specified digital products shall, at the time of making the sale, collect the sales tax. ~~Every seller who is a retailer that is not otherwise required to collect sales tax under the provisions of this chapter and who is selling tangible personal property or specified digital products for use in Iowa shall, at the time of making the sale, whether within or without the state, collect the use tax.~~ Sellers required to collect sales or use tax shall give to any purchaser a receipt for the tax collected in the manner and form prescribed by the director.

Sec. 47. Section 423.33, subsection 1, Code 2020, is amended to read as follows:

1. *Liability of purchaser* ~~*for sales tax*~~ *and retailer.*

a. If a purchaser fails to pay sales tax to the retailer required to collect the tax, then in addition to all of the rights, obligations, and remedies provided, ~~the~~ a use tax is payable by the purchaser directly to the department, and sections 423.31, 423.32, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 apply to the purchaser.

b. For failure to pay the sales or use tax as described in paragraph *"a"*, the retailer and purchaser are jointly liable, unless the circumstances described in section 29C.24, subsection 3, paragraph *"a"*, subparagraph (2), section 421.60, subsection 2, paragraph *"m"*, section 423.34A, or section 423.45, subsection 4, paragraph *"b"* or *"e"*, or subsection 5, paragraph *"c"* or *"e"*, are applicable.

c. If the retailer fails to collect sales tax at the time

1 of the transaction, the retailer shall thereafter remit the
2 applicable sales tax, or the purchaser thereafter shall remit
3 the applicable use tax. If the purchaser remits all applicable
4 use tax, the retailer remains liable for any local sales and
5 services tax under chapter 423B that the retailer failed to
6 collect.
7 Sec. 48. REFUNDS RELATED TO PRESERVE WHITETAIL DEER
8 HUNTING. Refunds of taxes, interest, or penalties that arise
9 from claims resulting from the amendment of section 423.3,
10 subsection 3A, for sales occurring between July 1, 2005,
11 and the effective date of the amendment to section 423.3,
12 subsection 3A, shall not be allowed, notwithstanding any other
13 law to the contrary.
14 Sec. 49. LEGISLATIVE INTENT.
15 1. It is the intent of the general assembly that the section
16 of this division of this Act amending section 423.29 is a
17 conforming amendment consistent with current state law, and
18 that the amendment does not change the application of current
19 law but instead reflects current law both before and after the
20 enactment of this division of this Act.
21 2. It is the intent of the general assembly that the
22 addition of "jointly" in the section of this division of
23 this Act amending section 423.33 is a conforming amendment
24 consistent with current state law, and that the amendment
25 does not change the application of current law but instead
26 reflects current law both before and after the enactment of
27 this division of this Act.
28 Sec. 50. EFFECTIVE DATE. The following, being deemed of
29 immediate importance, take effect upon enactment:
30 1. The section of this division of this Act amending section
31 423.3, subsection 3A.
32 2. The section of this division of this Act relating
33 to refunds for commercial recreation services offering an
34 opportunity to hunt preserve whitetail deer.
35 Sec. 51. RETROACTIVE APPLICABILITY. The following applies

retroactively to July 1, 2005:

The section of this division of this Act amending section 423.3, subsection 3A.

DIVISION III

INCOME TAX

Sec. 52. Section 422.9, subsection 3, paragraph c, Code 2020, is amended by striking the paragraph and inserting in lieu thereof the following:

c. A taxpayer may elect to waive the entire carryback period with respect to an Iowa net operating loss for any taxable year beginning on or after January 1, 2020. The election shall be made in the manner and form prescribed by the department, and shall be made by the due date for filing the taxpayer's Iowa return, including extensions of time. After the election is made for any taxable year, the election shall be irrevocable for such taxable year. When an election has been properly made, the Iowa net operating loss shall be carried forward twenty taxable years.

Sec. 53. Section 422.9, subsection 3, paragraph d, Code 2020, is amended to read as follows:

d. Notwithstanding paragraph *"a"*, for a taxpayer who is engaged in the trade or business of farming, which means the same as a *"farming business"* as defined in section 263A(e)(4) of the Internal Revenue Code, and has a farming loss ~~from farming~~ as defined in section 172(b)(1)(B) of the Internal Revenue Code including modifications prescribed by rule by the director, the Iowa farming loss ~~from the trade or business of farming~~ is a net operating loss which may, at the time of the election of the taxpayer, be carried back five taxable years prior to the taxable year of the loss. The election shall be made in the manner and form prescribed by the department, and shall be made by the due date for filing the taxpayer's return, including extensions of time. After the election is made for any taxable year, the election shall be irrevocable for such taxable year.

Sec. 54. APPLICABILITY. This division of this Act applies

to tax years beginning on or after January 1, 2020.

DIVISION IV

RESEARCH ACTIVITIES CREDIT

Sec. 55. Section 15.335, subsection 4, paragraph a, Code 2020, is amended to read as follows:

a. In lieu of the credit amount computed in subsection 2, an eligible business may elect to compute the credit amount for qualified research expenses incurred in this state in a manner consistent with the alternative simplified credit described in section ~~41(c)(5)~~ 41(c)(4) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

Sec. 56. Section 15.335, subsection 4, paragraph b, unnumbered paragraph 1, Code 2020, is amended to read as follows:

For purposes of the alternate credit computation method in paragraph *"a"*, the credit percentages applicable to qualified research expenses described in section ~~41(c)(5)(A)~~ 41(c)(4)(A) and clause (ii) of section ~~41(c)(5)(B)~~ 41(c)(4)(B) of the Internal Revenue Code are as follows:

Sec. 57. Section 422.10, subsection 1, paragraphs c and d, Code 2020, are amended to read as follows:

c. In lieu of the credit amount computed in paragraph *"b"*, subparagraph (1), subparagraph division (a), a taxpayer may elect to compute the credit amount for qualified research expenses incurred in this state in a manner consistent with the alternative simplified credit described in section ~~41(c)(5)~~ 41(c)(4) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

d. For purposes of the alternate credit computation

method in paragraph *"c"*, the credit percentages applicable to qualified research expenses described in section ~~41(c)(5)(A)~~ 41(c)(4)(A) and clause (ii) of section ~~41(c)(5)(B)~~ 41(c)(4)(B) of the Internal Revenue Code are four and fifty-five hundredths percent and one and ninety-five hundredths percent, respectively.

Sec. 58. Section 422.33, subsection 5, paragraphs c and d, Code 2020, are amended to read as follows:

c. In lieu of the credit amount computed in paragraph *"a"*, subparagraph (1), a corporation may elect to compute the credit amount for qualified research expenses incurred in this state in a manner consistent with the alternative simplified credit described in section ~~41(c)(5)~~ 41(c)(4) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

d. For purposes of the alternate credit computation method in paragraph *"c"*, the credit percentages applicable to qualified research expenses described in section ~~41(c)(5)(A)~~ 41(c)(4)(A) and clause (ii) of section ~~41(c)(5)(B)~~ 41(c)(4)(B) of the Internal Revenue Code are four and fifty-five hundredths percent and one and ninety-five hundredths percent, respectively.

Sec. 59. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 60. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2019, for tax years beginning on or after that date.

DIVISION V

PARTNERSHIP AND PASS-THROUGH ENTITY AUDITS AND REPORTING OF FEDERAL ADJUSTMENTS

Sec. 61. Section 421.27, subsection 2, paragraph c, Code 2020, is amended to read as follows:

1 *c.* (1) ~~The~~ Except in the case of a final federal
2 partnership adjustment governed by subparagraph (2), the
3 taxpayer ~~provides written notification to the department of a~~
4 ~~federal audit while it is in progress and~~ voluntarily files an
5 amended return which includes a copy of the federal document
6 showing the final disposition or final federal adjustments
7 and pays any additional Iowa tax due within ~~sixty~~ one hundred
8 eighty days of the final ~~disposition~~ determination date of the
9 federal government's audit. For purposes of this subparagraph,
10 *"final determination date"* means the same as defined in section
11 422.25.
12 (2) (a) In the case of a final federal partnership
13 adjustment arising from a partnership level audit, with respect
14 to the audited partnership or a direct partner or indirect
15 partner of the audited partnership, the audited partnership,
16 direct partner, or indirect partner voluntarily and timely
17 complies with its reporting and payment requirements under
18 section 422.25A, subsection 4 or 5.
19 (b) As used in this subparagraph, all words and phrases
20 defined in section 422.25A shall have the same meaning given
21 them by that section.
22 Sec. 62. Section 422.7, Code 2020, is amended by adding the
23 following new subsection:
24 NEW SUBSECTION. 59. Any income subtracted from federal
25 taxable income for an adjustment year pursuant to section 6225
26 of the Internal Revenue Code and the regulations thereunder
27 shall be added back in computing net income for state tax
28 purposes for the adjustment year.
29 Sec. 63. Section 422.25, subsections 1 and 2, Code 2020,
30 are amended by striking the subsections and inserting in lieu
31 thereof the following:
32 1. *a.* For purposes of this subsection:
33 (1) *"Federal adjustment"* means a change to an item or amount
34 required to be determined under the Internal Revenue Code and
35 the regulations thereunder that is used by the taxpayer to

1 compute state tax owed whether such change results from action
2 by the internal revenue service, or the filing of a timely
3 amended federal return or timely federal refund claim. A
4 federal adjustment is positive to the extent that it increases
5 Iowa taxable income as determined under this title and is
6 negative to the extent that it decreases Iowa taxable income
7 as determined under this title.
8 (2) *"Federal adjustments report"* means the method or form
9 required by the department by rule to report final federal
10 adjustments or final federal partnership adjustments as defined
11 in section 422.25A, and in the case of any entity taxed as a
12 partnership or S corporation for federal income tax purposes,
13 identifies all owners that hold an interest directly in such
14 entity and provides the effect of the final federal adjustments
15 on such owner's Iowa income.
16 (3) *"Final determination date"* means the following:
17 (a) Except as provided in subparagraph divisions (b) and
18 (c), for federal adjustments arising from an internal revenue
19 service audit or other action by the internal revenue service,
20 the final determination date is the first day on which no
21 federal adjustments arising from that audit or other action
22 remain to be finally determined, whether by internal revenue
23 service decision with respect to which all rights of appeal
24 have been waived or exhausted, by agreement, or, if appealed
25 or contested, by a final decision with respect to which all
26 rights of appeal have been waived or exhausted. For agreements
27 required to be signed by the internal revenue service and the
28 taxpayer, the final determination date is the date on which the
29 last party signed the agreement.
30 (b) For federal adjustments arising from an internal
31 revenue service audit or other action by the internal revenue
32 service, if the taxpayer filed as a member of a consolidated
33 return under section 422.37, the final determination date
34 is the first day on which no related federal adjustments
35 arising from that audit or other action remain to be finally

1 determined, as described in subparagraph division (a), for the
2 entire group.
3 (c) For federal adjustments arising from a timely filed
4 amended federal return or a timely filed federal refund
5 claim, or if it is a federal adjustment reported on a timely
6 amended federal return or other similar report filed pursuant
7 to section 6225(c) of the Internal Revenue Code, the final
8 determination date is the day on which the amended return,
9 refund claim, or other similar report was filed.
10 (4) *"Final federal adjustment"* means a federal adjustment
11 after the final determination date for that federal adjustment
12 has passed.
13 *b.* Within three years after the return is filed or within
14 three years after the return became due, including any
15 extensions of time for filing, whichever time is the later,
16 the department shall examine the return and determine the tax.
17 However, if the taxpayer omits from income an amount which
18 will, under the Internal Revenue Code, extend the statute of
19 limitations for assessment of federal tax to six years under
20 the federal law, the period for examination and determination
21 is six years.
22 *c.* The period for examination and determination of the
23 correct amount of tax is unlimited in the case of a false or
24 fraudulent return made with the intent to evade tax or in the
25 case of a failure to file a return.
26 *d.* In lieu of the period of limitation for any prior year
27 for which an overpayment of tax or an elimination or reduction
28 of an underpayment of tax due for that prior year results from
29 the carryback to that prior year of a net operating loss or
30 net capital loss, the period is the period of limitation for
31 the taxable year of the net operating loss or net capital loss
32 which results in the carryback.
33 *e.* (1) In addition to the applicable period of limitation
34 for examination and determination in paragraph *"b"*, *"c"*, or *"d"*,
35 the department may make an examination and determination at any

1 time within one year from the date of receipt by the department
2 of a federal adjustments report with respect to a final
3 federal adjustment or final federal partnership adjustment
4 as defined in section 422.25A for a particular tax year. In
5 order to begin the running of the one-year period, the federal
6 adjustments report related to the final federal adjustment or
7 final federal partnership adjustment shall be transmitted to
8 the department by the taxpayer in the form and manner specified
9 by the department by rule.
10 (2) The department in its discretion may adopt rules to
11 establish a de minimis amount for which subparagraph (1) shall
12 not apply and the taxpayer shall not be required to file a
13 federal adjustments report.
14 (3) The department may in its discretion and when
15 administratively feasible adopt a process through rule by
16 which a taxpayer may make estimated payments of tax expected
17 to result from a pending internal revenue service audit
18 prior to the filing of a federal adjustments report with the
19 department. The process shall provide that the estimated
20 tax payments shall be credited against any tax liability
21 ultimately found to be due to the state from the internal
22 revenue service audit and will limit the accrual of further
23 statutory interest on that liability. The process shall also
24 provide that if the estimated tax payments exceed the final
25 tax liability and statutory interest ultimately determined to
26 be due, the taxpayer is entitled to a refund or credit for
27 the excess, without interest, provided the taxpayer files a
28 federal adjustments report, or a claim for refund or credit of
29 tax under section 422.73, no later than one year following the
30 final determination date.
31 2. *a.* If the tax found due under subsection 1 is greater
32 than the amount paid, the department shall compute the amount
33 due, together with interest and penalties as provided in
34 paragraph *"b"*, and shall mail a notice of assessment to the
35 taxpayer and, if applicable, to the taxpayer's authorized

1 representative of the total, which shall be computed as a sum
2 certain, with interest computed to the last day of the month
3 in which the notice is dated.
4 *b.* In addition to the tax or additional tax determined
5 by the department under subsection 1, the taxpayer shall pay
6 interest on the tax or additional tax at the rate in effect
7 under section 421.7 for each month counting each fraction of
8 a month as an entire month, computed from the date the return
9 was required to be filed. In addition to the tax or additional
10 tax, the taxpayer shall pay a penalty as provided in section
11 421.27.
12 Sec. 64. NEW SECTION. **422.25A Reporting and treatment of**
13 **certain partnership adjustments.**
14 1. *Definitions.* As used in this section and sections
15 422.25B and 422.25C, unless the context otherwise requires:
16 *a. "Administrative adjustment request"* means the same as
17 provided in section 6227 of the Internal Revenue Code.
18 *b. "Audited partnership"* means a partnership subject
19 to a final federal partnership adjustment resulting from a
20 partnership level audit.
21 *c. "C corporation"* means an entity that elects or is
22 required to be taxed as a corporation under title 26, chapter
23 1, subchapter A, part 2, of the Internal Revenue Code.
24 *d. "Corporate partner"* means a C corporation partner that is
25 subject to tax pursuant to section 422.33.
26 *e. "Direct partner"* means a person that holds an interest
27 directly in a partnership or pass-through entity.
28 *f. "Exempt partner"* means a partner that is exempt from
29 taxation pursuant to section 422.34.
30 *g. "Federal adjustments report"* means the same as defined
31 in section 422.25.
32 *h. "Federal partnership adjustment"* means a change to an
33 item or amount required to be determined under the Internal
34 Revenue Code and the regulations thereunder that is used by a
35 partnership and its direct and indirect partners to compute

1 state tax owed for the reviewed year where such change results
2 from a partnership level audit or an administrative adjustment
3 request. A federal partnership adjustment is positive to the
4 extent that it increases Iowa taxable income as determined
5 under this title and is negative to the extent that it
6 decreases Iowa taxable income as determined under this title.
7 A federal adjustment reported on an amended federal return
8 or other similar report filed pursuant to section 6225(c) of
9 the Internal Revenue Code shall not be considered a federal
10 partnership adjustment for purposes of this section.
11 *i. "Federal partnership representative"* means the person
12 the partnership designates for the taxable year as the
13 partnership's representative, or the person the internal
14 revenue service has appointed to act as the federal partnership
15 representative, pursuant to section 6223(a) of the Internal
16 Revenue Code and the regulations thereunder.
17 *j. "Fiduciary partner"* means a partner that is a fiduciary
18 that is subject to tax pursuant to sections 422.5 and 422.6.
19 *k. "Final determination date"* means any one of the following
20 dates:
21 (1) In the case of a federal partnership adjustment that
22 arises from a partnership level audit, the first day on which
23 no federal adjustments arising from that audit remain to be
24 finally determined, whether by agreement, or, if appealed
25 or contested, by a final decision with respect to which all
26 rights of appeal have been waived or exhausted. For agreements
27 required to be signed by the internal revenue service and the
28 audited partnership, the final determination date is the date
29 on which the last party signed the agreement.
30 (2) In the case of a federal partnership adjustment that
31 results from a timely filed administrative adjustment request,
32 the day on which the administrative adjustment request was
33 filed with the internal revenue service.
34 *l. "Final federal partnership adjustment"* means a federal
35 partnership adjustment after the final determination date for

that federal partnership adjustment has passed.

m. *"Indirect partner"* means a partner in a partnership or pass-through entity where such partnership or pass-through entity itself holds an interest directly, or through another indirect partner, in a partnership or pass-through entity.

n. *"Individual partner"* means a partner who is a natural person that is subject to tax pursuant to section 422.5.

o. *"Nonresident partner"* means a partner that is not a resident partner as defined in this subsection.

p. *"Partner"* means a person that holds an interest, directly or indirectly, in a partnership or pass-through entity.

q. *"Partnership"* means an entity subject to taxation under subchapter K of the Internal Revenue Code and the regulations thereunder and includes but is not limited to a syndicate, group, pool, joint venture, or other unincorporated organization through or by means of which any business, financial operation, or venture is carried on and which is not, within the meaning of this chapter, a trust, estate, or corporation.

r. *"Partnership level audit"* means an examination by the internal revenue service at the partnership level pursuant to subchapter C, title 26, subtitle F, chapter 63, of the Internal Revenue Code, as enacted by the Bipartisan Budget Act of 2015, Pub. L. No. 114-74, and as amended, which results in final federal partnership adjustments initiated and made by the internal revenue service.

s. *"Pass-through entity"* means an entity, other than a partnership, that is not subject to tax under section 422.33 for C corporations but excluding an exempt partner. *"Pass-through entity"* includes but is not limited to S corporations, estates, and trusts other than grantor trusts.

t. *"Reallocation adjustment"* means a final federal partnership adjustment that changes the shares of items of partnership income, gain, loss, expense, or credit allocated to a partner that holds an interest directly in a partnership

1 or pass-through entity. A positive reallocation adjustment
2 means the portion of a reallocation adjustment that would
3 increase Iowa taxable income for such partners, and a negative
4 reallocation adjustment means the portion of a reallocation
5 adjustment that would decrease Iowa taxable income for such
6 partners.
7 *u. "Resident partner"* means any of the following:
8 (1) For an individual partner, a *"resident"* as defined in
9 section 422.4.
10 (2) For a fiduciary partner, one with situs in Iowa.
11 (3) For all other partners, a partner whose headquarters or
12 principal place of business is located in Iowa.
13 *v. "Reviewed year"* means the taxable year of a partnership
14 that is subject to a partnership level audit from which final
15 federal partnership adjustments arise, or otherwise means the
16 taxable year of the partnership or pass-through entity that is
17 the subject of a state partnership audit.
18 *w. "State partnership audit"* means an examination by the
19 director at the partnership or pass-through entity level which
20 results in adjustments to partnership or pass-through entity
21 related items or reallocations of income, gains, losses,
22 expenses, credits, and other attributes among such partners for
23 the reviewed year.
24 *x. "Tiered partner"* means any partner that is a partnership
25 or pass-through entity.
26 *y. "Unrelated business income"* means the income which is
27 defined in section 512 of the Internal Revenue Code and the
28 regulations thereunder.
29 2. *Application.* Partnerships and their direct partners
30 and indirect partners shall report final federal partnership
31 adjustments as provided in this section.
32 3. *State partnership representative.* Notwithstanding any
33 other law to the contrary, the state partnership representative
34 for the reviewed year shall have the sole authority to act on
35 behalf of the partnership or pass-through entity with respect

to an action required or permitted to be taken by a partnership or pass-through entity under this section or section 422.28 or 422.29 with respect to final federal partnership adjustments arising from a partnership level audit or an administrative adjustment request, and its direct partners and indirect partners shall be bound by those actions.

4. *Reporting and payment requirements for audited partnerships and their partners subject to final federal partnership adjustments.*

a. Unless an audited partnership makes the election in subsection 5, the audited partnership shall do all of the following for all final federal partnership adjustments no later than ninety days after the final determination date of the audited partnership:

(1) File a completed federal adjustments report.

(2) Notify each direct partner of such partner's distributive share of the adjustments in the manner and form prescribed by the department by rule.

(3) File an amended composite return under section 422.13 if one was originally filed, and if applicable for withholding from partners, file an amended withholding report under section 422.16, and pay the additional amount under this title that would have been due had the final federal partnership adjustments been reported properly as required, including any applicable interest and penalties.

b. Unless an audited partnership paid an amount on behalf of the direct partners of the audited partnership pursuant to subsection 5, all direct partners of the audited partnership shall do all of the following no later than one hundred eighty days after the final determination date of the audited partnership:

(1) File a completed federal adjustments report reporting the direct partner's distributive share of the adjustments required to be reported to such partners under paragraph *"a"*.

(2) If the direct partner is a tiered partner, notify all

partners that hold an interest directly in the tiered partner of such partner's distributive share of the adjustments in the manner and form prescribed by the department by rule.

(3) If the direct partner is a tiered partner and subject to section 422.13, file an amended composite return under section 422.13 if such return was originally filed, and if applicable for withholding from partners file an amended withholding report under section 422.16 if one was originally required to be filed.

(4) Pay any additional amount under this title that would have been due had the final federal partnership adjustments been reported properly as required, including any applicable penalty and interest.

c. Unless a partnership or tiered partner paid an amount on behalf of the partners pursuant to subsection 5, each indirect partner shall do all of the following:

(1) Within ninety days after the time for filing and furnishing statements to tiered partners and their partners as established by section 6226 of the Internal Revenue Code and the regulations thereunder, file a completed federal adjustments report.

(2) If the indirect partner is a tiered partner, within ninety days after the time for filing and furnishing statements to tiered partners and their partners as established by section 6226 of the Internal Revenue Code and the regulations thereunder but within sufficient time for all indirect partners to also complete the requirements of this subsection, notify all of the partners that hold an interest directly in the tiered partner of such partner's distributive share of the adjustments in the manner and form prescribed by the department by rule.

(3) Within ninety days after the time for filing and furnishing statements to tiered partners and their partners as established by section 6226 of the Internal Revenue Code and the regulations thereunder, if the indirect partner

is a tiered partner and subject to section 422.13, file an amended composite return under section 422.13 if such return was originally filed, and if applicable for withholding from partners, file an amended withholding report under section 422.16 if one was originally required to be filed.

(4) Within ninety days after the time for filing and furnishing statements to tiered partners and the partners of the tiered partners as established by section 6226 of the Internal Revenue Code and the regulations thereunder, pay any additional amount due under this title, including any penalty and interest that would have been due had the final federal partnership adjustments been reported properly as required.

5. *Election for partnership or tiered partners to pay.*

a. An audited partnership, or a tiered partner that receives a notification of a final federal partnership adjustment under subsection 4, may make an election to pay as provided under this subsection.

b. An audited partnership or tiered partner makes an election to pay under this subsection by filing a completed federal adjustments report, notifying the department in the manner and form prescribed by the department that it is making the election under this subsection, notifying each of the direct partners of such partner's distributive share of the adjustments, and paying on behalf of its partners an amount calculated in paragraph *"c"*, including any applicable penalty and interest. These requirements shall all be fulfilled within one of the following time periods:

(1) For the audited partnership, no later than ninety days after the final determination date of the audited partnership.

(2) For a direct tiered partner, no later than one hundred eighty days after the final determination date of the audited partnership.

(3) For an indirect tiered partner, within ninety days after the time for filing and furnishing statements to a tiered partner and the partner of the tiered partner, as

1 established by section 6226 of the Internal Revenue Code and
2 the regulations thereunder.
3 *c.* The amount due under this subsection from an audited
4 partnership or tiered partner shall be calculated as follows:
5 (1) Exclude from final federal partnership adjustments and
6 any positive reallocation adjustments the distributive share
7 of such adjustments reported to an exempt partner that holds
8 an interest directly in the audited partnership if the audited
9 partnership is making the election or that holds an interest
10 directly in the tiered partner if the tiered partner is making
11 the election, but only to the extent the distributive share is
12 not unrelated business income.
13 (2) Determine the total distributive share of all final
14 federal partnership adjustments and positive reallocation
15 adjustments as modified by this title that are reported to
16 corporate partners, and to exempt partners to the extent the
17 distributive share is unrelated business income, and allocate
18 and apportion such adjustments as provided in section 422.33
19 at the partnership or tiered partner level, and multiply the
20 resulting amount by the maximum state corporate income tax rate
21 pursuant to section 422.33 for the reviewed year.
22 (3) Determine the total distributive share of all final
23 federal partnership adjustments and positive reallocation
24 adjustments as modified by this title that are reported to
25 nonresident individual partners and nonresident fiduciary
26 partners and allocate and apportion such adjustments as
27 provided in section 422.33 at the partnership or tiered
28 partner level, and multiply the resulting amount by the maximum
29 individual income tax rate pursuant to section 422.5A for the
30 reviewed year.
31 (4) For the total distributive share of all final federal
32 partnership adjustments and positive reallocation adjustments
33 as modified by this title that are reported to tiered partners:
34 (a) Determine the amount of such adjustments which are of a
35 type that would be subject to sourcing to Iowa under section

1 422.8, subsection 2, paragraph *"a"*, as a nonresident, and then
2 determine the portion of this amount that would be sourced to
3 Iowa under those provisions as if the tiered partner were a
4 nonresident.
5 (b) Determine the amount of such adjustments which are of
6 a type that would not be subject to sourcing to Iowa under
7 section 422.8, subsection 2, paragraph *"a"*, as a nonresident.
8 (c) Determine the portion of the amount in subparagraph
9 division (b) that can be established, as prescribed by the
10 department by rule, to be properly allocable to indirect
11 partners that are nonresident partners or other partners not
12 subject to tax on the adjustments.
13 (d) Multiply the total of the amounts determined in
14 subparagraph divisions (a) and (b), reduced by any amount
15 determined in subparagraph division (c), by the highest
16 individual income tax rate pursuant to section 422.5A for the
17 reviewed year.
18 (5) For the total distributive share of all final federal
19 partnership adjustments and positive reallocation adjustments
20 as modified by this title that are reported to resident
21 individual partners and resident fiduciary partners, multiply
22 that amount by the highest individual income tax rate pursuant
23 to section 422.5A for the reviewed year.
24 (6) Total the amounts computed pursuant to subparagraphs
25 (2) through (5) and calculate any interest and penalty as
26 provided under this title. Notwithstanding any provision of
27 law to the contrary, interest and penalties on the amount due
28 by the audited partnership or tiered partner shall be computed
29 from the day after the due date of the reviewed year return
30 without extension, and shall be imposed as if the audited
31 partnership or tiered partner was required to pay tax or show
32 tax due on the original return for the reviewed year.
33 *d.* Adjustments subject to the election in this subsection
34 do not include any adjustments arising from an administrative
35 adjustment request.

1 *e.* An audited partnership or tiered partner not otherwise
2 subject to any reporting or payment obligation to Iowa that
3 makes an election under this subsection consents to be subject
4 to the Iowa laws related to reporting, assessment, collection,
5 and payment of Iowa tax, interest, and penalties calculated
6 under the election.
7 6. *Modified reporting and payment method.* The department may
8 adopt procedures for an audited partnership or tiered partner
9 to enter into an agreement with the department to use an
10 alternative reporting and payment method, including applicable
11 time requirements or any other provision of this section. The
12 audited partnership or tiered partner must demonstrate that
13 the requested method will reasonably provide for the reporting
14 and payment of taxes, penalties, and interest due under the
15 provisions of this section. Application for approval of an
16 alternative reporting and payment method must be made by the
17 audited partnership or tiered partner within the time for
18 making an election to pay under subsection 5 and in the manner
19 prescribed by the department. Approval of such an alternative
20 reporting and payment method shall be at the discretion of the
21 department.
22 7. *Effect of election by partnership or tiered partner and*
23 *payment of amount due.*
24 *a.* The election made under subsection 5 is irrevocable,
25 unless in the discretion of the director, the director
26 determines otherwise.
27 *b.* The amount determined in subsection 5, when properly
28 reported and paid by the audited partnership or tiered partner,
29 shall be treated as paid on behalf of the partners of such
30 audited partnership or tiered partner on the same final federal
31 partnership adjustments, provided, however, that no partner may
32 take any deduction or credit for the amount, claim a refund of
33 the amount, or include the amount on such partner's Iowa return
34 in any manner.
35 *c.* In the event another state offers to an audited

1 partnership or tiered partner a similar election to pay state
2 tax resulting from final federal partnership adjustments,
3 nothing in this subsection shall prohibit a resident who holds
4 an interest directly in that audited partnership or tiered
5 partner, as the case may be, from claiming a credit for taxes
6 paid by the resident to another state under section 422.8,
7 subsection 1, for any amounts paid by the audited partnership
8 or tiered partner on such resident partner's behalf to another
9 state, provided such payment otherwise meets the requirements
10 of section 422.8, subsection 1.
11 *d.* Nothing in this section shall prohibit the department
12 from assessing direct partners and indirect partners for taxes
13 they owe in the event that an audited partnership or tiered
14 partner fails to timely make any report or payment required by
15 this section for any reason.
16 8. *Assessments of additional Iowa income tax, interest, and*
17 *penalties, and claims for refund, arising from final federal*
18 *partnership adjustments.*
19 *a.* The department shall assess additional Iowa income
20 tax, interest, and penalties arising from final federal
21 partnership adjustments in the same manner as provided in
22 this title unless a different treatment is provided by this
23 subsection. Since final federal partnership adjustments are
24 determined at the audited partnership level, any assessment
25 issued to partners shall not be appealable by the partner.
26 The department may assess any taxes, including on-behalf-of
27 amounts, interest, and penalties arising from the final federal
28 partnership adjustments if it issues a notice of assessment to
29 the audited partnership, tiered partner, or other direct or
30 indirect partner on or before the expiration of the applicable
31 limitations period specified in section 422.25.
32 *b.* In addition to the period for claiming a refund or credit
33 provided in section 422.73, subsection 1, paragraph *"a"*, and
34 notwithstanding section 422.73, subsection 1, paragraph *"b"*,
35 a partnership, tiered partner, or other direct or indirect

1 partner, as the case may be, may file a claim for refund of
2 Iowa income tax arising directly or indirectly from a final
3 federal partnership adjustment arising from a partnership level
4 audit on or before the date which is one year from the date the
5 federal adjustments report for that final federal partnership
6 adjustment was required to be filed by such person under this
7 section.
8 9. *Rules.* The department may adopt any rules pursuant to
9 chapter 17A to implement this section.
10 Sec. 65. NEW SECTION. **422.25B State partnership**
11 **representative.**
12 1. As used in this section, all words and phrases defined
13 in section 422.25A shall have the same meaning given them by
14 that section.
15 2. The state partnership representative for the reviewed
16 year for a partnership shall be the partnership's federal
17 partnership representative with respect to an action required
18 or permitted to be taken by a state partnership representative
19 under this chapter for a reviewed year, unless the partnership
20 designates in writing another person as the state partnership
21 representative as provided in subsection 3. The state
22 partnership representative for the reviewed year for a
23 pass-through entity is the person designated in subsection 3.
24 3. The department may establish reasonable qualifications
25 for a person to be a state partnership representative. If
26 a partnership desires to designate a person other than the
27 federal partnership representative, the partnership shall
28 designate such person in the manner and form prescribed by the
29 department. A pass-through entity shall designate a person as
30 the state partnership representative in the manner and form
31 prescribed by the department. A partnership or pass-through
32 entity shall be allowed to change such designation by notifying
33 the department at the time the change occurs in the manner and
34 form prescribed by the department.
35 4. The department may adopt any rules pursuant to chapter

1 17A to implement this section.
2 Sec. 66. NEW SECTION. **422.25C Partnership and pass-through**
3 **entity audits and examinations — consistent treatment of**
4 **entity-level items — binding actions — amended returns.**
5 1. As used in this section, all words and phrases defined
6 in section 422.25A shall have the same meaning given them by
7 that section.
8 2. For tax years beginning on or after January 1, 2020, any
9 adjustments to a partnership's or pass-through entity's items
10 of income, gain, loss, expense, or credit, or an adjustment
11 to such items allocated to a partner that holds an interest
12 in a partnership or pass-through entity for the reviewed year
13 by the department as a result of a state partnership audit,
14 shall be determined at the partnership level or pass-through
15 entity level in the same manner as provided by section 6221(a)
16 of the Internal Revenue Code and the regulations thereunder
17 unless a different treatment is specifically provided in this
18 title. The provisions of sections 6222, 6223, and 6227 of the
19 Internal Revenue Code and the regulations thereunder shall also
20 apply to a partnership or pass-through entity and its direct
21 or indirect partners in the same manner as provided in such
22 sections unless a different treatment is specifically provided
23 in this title. For purposes of applying such sections, due
24 account shall be made for differences in federal and Iowa
25 terminology. The adjustment provided by section 6221(a) of
26 the Internal Revenue Code shall be determined as provided in
27 such section but shall be based on Iowa taxable income or
28 other tax attributes of the partnership as determined pursuant
29 to this chapter for the reviewed year. The department shall
30 issue a notice of adjustment to the partnership or pass-through
31 entity. Such notice shall be treated as an assessment for
32 the purposes of section 422.25, and the notice shall be
33 appealable by the partnership or pass-through entity pursuant
34 to sections 422.28 and 422.29 and shall be issued within the
35 time period provided by section 422.25. Once the adjustments

to partnership-related or pass-through entity-related items or reallocations of income, gains, losses, expenses, credits, and other attributes among such partners for the reviewed year are finally determined, the partnership or pass-through entity and any direct partners or indirect partners shall then be subject to the provisions of section 422.25, subsection 1, paragraph *"e"*, and section 422.25A in the same manner as if the state partnership audit were a federal partnership level audit, and as if the final state partnership audit adjustment were a final federal partnership adjustment. The penalty exceptions in section 421.27, subsection 2, paragraphs *"b"* and *"c"*, shall not apply to a state partnership audit.

3. The state partnership representative for the reviewed year as determined under section 422.25B shall have the sole authority to act on behalf of the partnership or pass-through entity with respect to an action required or permitted to be taken by a partnership or pass-through entity under this section, including proceedings under section 422.28 or 422.29, and the partnership's or pass-through entity's direct partners and indirect partners shall be bound by those actions.

4. If the department, the partnership or pass-through entity, and the partnership or pass-through entity owners agree, the provisions of this section may be applied to tax years beginning before January 1, 2020.

5. The department may adopt rules pursuant to chapter 17A to implement this section.

Sec. 67. Section 422.35, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 26. Any income subtracted from federal taxable income for an adjustment year pursuant to section 6225 of the Internal Revenue Code and the regulations thereunder shall be added back in computing net income for state tax purposes for the adjustment year.

Sec. 68. Section 422.39, Code 2020, is amended by striking the section and inserting in lieu thereof the following:

422.39 Statutes applicable to corporations and corporation tax.

All the provisions of sections 422.24 through 422.27 of division II, respecting payment, collection, reporting, examination, and assessment, shall apply in respect to a corporation subject to the provisions of this division and to the tax due and payable by a corporation taxable under this division. This includes but is not limited to a corporation that is a pass-through entity as defined in section 422.25A.

Sec. 69. Section 422.73, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 01. For purposes of this section, *"federal adjustment"*, *"final determination date"*, and *"final federal adjustment"* all mean the same as defined in section 422.25.

Sec. 70. Section 422.73, subsections 1 and 3, Code 2020, are amended to read as follows:

1. *a.* If it appears that an amount of tax, penalty, or interest has been paid which was not due under division II, III or V of this chapter, then that amount shall be credited against any tax due on the books of the department by the person who made the excessive payment, or that amount shall be refunded to the person or with the person's approval, credited to tax to become due. A claim for refund or credit that has not been filed with the department within three years after the return upon which a refund or credit claimed became due, or within one year after the payment of the tax upon which a refund or credit is claimed was made, whichever time is the later, shall not be allowed by the director. If, as a result of a carryback of a net operating loss or a net capital loss, the amount of tax in a prior period is reduced and an overpayment results, the claim for refund or credit of the overpayment shall be filed with the department within the three years after the return for the taxable year of the net operating loss or net capital loss became due.

b. Notwithstanding the period of limitation specified in

paragraph *"a"*, the taxpayer shall have ~~six months~~ one year from the ~~day of final disposition~~ final determination date of any ~~income tax matter between the taxpayer and the internal revenue service~~ final federal adjustment arising from an internal revenue service audit or other similar action by the internal revenue service with respect to the particular tax year to claim an income tax refund or credit arising from that final federal adjustment.

3. The department shall enter into an agreement with the internal revenue service for the transmission of federal income tax reports on individuals required to file an Iowa income tax return who have been involved in an income tax matter with the internal revenue service. After ~~final disposition~~ the final determination date of the income tax matter that involves a final federal adjustment between the taxpayer and the internal revenue service, the department shall determine whether the individual is due a state income tax refund as a result of that final ~~disposition of~~ federal adjustment from such income tax matter. If the individual is due a state income tax refund, the department shall notify the individual within thirty days and request the individual to file a claim for refund or credit with the department.

Sec. 71. APPLICABILITY. This division of this Act applies to federal adjustments and federal partnership adjustments that have a final determination date after the effective date of this division of this Act.

DIVISION VI

SETOFF PROCEDURES — RULEMAKING — EFFECTIVE DATE

Sec. 72. RULES. The following applies to 2020 Iowa Acts, House File 2565, if enacted:

The department of revenue shall adopt rules governing setoffs that occur during the transition from the department of administrative services to the department of revenue.

Sec. 73. 2020 Iowa Acts, House File 2565, section 28, if enacted, is amended to read as follows:

SEC. 28. EFFECTIVE DATE. This Act takes effect on the later of January 1, 2021, or the effective date of the rules adopted by the department of revenue pursuant to chapter 17A implementing this Act other than transitional rules.

Sec. 74. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VII

MARRIED TAXPAYERS — JOINT LIABILITY

Sec. 75. Section 422.21, subsection 7, Code 2020, is amended to read as follows:

7. If married taxpayers file a joint return or file separately on a combined return in accordance with rules prescribed by the director, both spouses are jointly and severally liable for the total tax due on the return, except when one spouse is ~~considered to be an innocent spouse~~ eligible for relief under criteria established pursuant to section 6015 of the Internal Revenue Code. The department may notify the nonrequesting spouse or former spouse and permit, by rule, the intervention of a nonrequesting spouse or former spouse when relief from joint and several liability is requested.

Sec. 76. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VIII

BUSINESS INTEREST EXPENSE DEDUCTION AND GLOBAL INTANGIBLE LOW-TAXED INCOME

Sec. 77. Section 422.7, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 59. *a.* Section 163(j) of the Internal Revenue Code does not apply in computing net income for state tax purposes. If the taxpayer's federal adjusted gross income for the tax year was increased or decreased by reason of the application of section 163(j) of the Internal Revenue Code, the taxpayer shall recompute net income for state tax purposes under rules prescribed by the director.

b. Paragraph "*a*" shall not apply during any tax year

1 in which the additional first-year depreciation allowance
2 authorized in section 168(k) of the Internal Revenue Code
3 applies in computing net income for state tax purposes.
4 *c.* For any tax year in which paragraph *"a"* does not apply,
5 a taxpayer shall not be permitted to deduct any amount of
6 interest expense paid or accrued in a previous taxable year
7 that is allowed as a deduction in the current taxable year by
8 reason of the carryforward of disallowed business interest
9 provisions of section 163(j)(2) of the Internal Revenue Code,
10 if either of the following apply:
11 (1) The interest expense was originally paid or accrued
12 during a tax year in which paragraph *"a"* applied.
13 (2) The interest expense was originally paid or accrued
14 during a tax year in which the taxpayer was not required to
15 file an Iowa return.
16 Sec. 78. Section 422.35, Code 2020, is amended by adding the
17 following new subsections:
18 NEW SUBSECTION. 26. *a.* Section 163(j) of the Internal
19 Revenue Code does not apply in computing net income for state
20 tax purposes. If the taxpayer's federal taxable income for
21 the tax year was increased or decreased by reason of the
22 application of section 163(j) of the Internal Revenue Code,
23 the taxpayer shall recompute net income for state tax purposes
24 under rules prescribed by the director.
25 *b.* Paragraph *"a"* shall not apply during any tax year
26 in which the additional first-year depreciation allowance
27 authorized in section 168(k) of the Internal Revenue Code
28 applies in computing net income for state tax purposes.
29 *c.* For any tax year in which paragraph *"a"* does not apply,
30 a taxpayer shall not be permitted to deduct any amount of
31 interest expense paid or accrued in a previous taxable year
32 that is allowed as a deduction in the current taxable year by
33 reason of the carryforward of disallowed business interest
34 provisions of section 163(j)(2) of the Internal Revenue Code,
35 if either of the following apply:

(1) The interest expense was originally paid or accrued during a tax year in which paragraph "a" applied.

(2) The interest expense was originally paid or accrued during a tax year in which the taxpayer was not required to file an Iowa return.

NEW SUBSECTION. 27. Subtract, to the extent included, global intangible low-taxed income under section 951A of the Internal Revenue Code.

Sec. 79. RESCISSION OF ADMINISTRATIVE RULES.

1. Contingent upon the enactment of the section of this Act amending section 422.35, subsection 27, the following Iowa administrative rules are rescinded:

a. 701 Iowa administrative code, rule 54.2, subrule 3, paragraph "i".

b. 701 Iowa administrative code, rule 59.28, subrule 2, paragraph "p".

2. As soon as practicable, the Iowa administrative code editor shall remove the language of the Iowa administrative rules referenced in subsection 1 of this section from the Iowa administrative code.

Sec. 80. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 81. RETROACTIVE APPLICABILITY. The following applies retroactively to January 1, 2019, for tax years beginning on or after that date:

The portion of the section of this division of this Act enacting section 422.35, subsection 27.

Sec. 82. RETROACTIVE APPLICABILITY. The following apply retroactively to January 1, 2020 for tax years beginning on or after that date:

1. The section of this division of this Act enacting section 422.7, subsection 59.

2. The portion of the section of this division of this Act enacting section 422.35, subsection 26.

DIVISION IX

IOWA REINVESTMENT ACT

Sec. 83. Section 15J.2, subsections 4, 7, 8, and 9, Code 2020, are amended to read as follows:

4. *"District"* means the area ~~within a municipality~~ that is designated a reinvestment district pursuant to section 15J.4.

7. *"Municipality"* means ~~a county or an incorporated city.~~ any of the following:

a. A county.

b. An incorporated city.

c. A joint board or other legal entity established or designated in an agreement between two or more contiguous municipalities identified in paragraph *"a"* or *"b"* pursuant to chapter 28E.

8. *a.* *"New lessor"* means a lessor, as defined in section 423A.2, operating a business in the district that was not in operation in the area of the district before the effective date of the ordinance or resolution establishing the district, regardless of ownership.

b. *"New lessor"* also includes any lessor, defined in section 423A.2, operating a business in the district if the place of business for that business is the subject of a project that was approved by the board.

9. *a.* *"New retail establishment"* means a business operated in the district by a retailer, as defined in section 423.1, that was not in operation in the area of the district before the effective date of the ordinance or resolution establishing the district, regardless of ownership.

b. *"New retail establishment"* also includes any business operated in the district by a retailer, as defined in section 423.1, if the place of business for that retail establishment is the subject of a project that was approved by the board.

Sec. 84. Section 15J.4, subsection 1, unnumbered paragraph 1, Code 2020, is amended to read as follows:

A municipality that has an area suitable for development within the boundaries of the municipality or within the

combined boundaries of a municipality under section 15J.2, subsection 7, paragraph *"c"*, is eligible to seek approval from the board to establish a reinvestment district under this section consisting of the area suitable for development. To be designated a reinvestment district, an area shall meet the following requirements:

Sec. 85. Section 15J.4, subsection 1, paragraphs c and d, Code 2020, are amended to read as follows:

c. ~~The~~ For districts approved before July 1, 2018, the area consists of contiguous parcels and does not exceed twenty-five acres in total. For districts approved on or after July 1, 2020, the area consists of contiguous parcels and does not exceed seventy-five acres in total.

d. For a municipality that is a city or for a city that is party to an agreement under section 15J.2, subsection 7, paragraph *"c"*, the area does not include the entire incorporated area of the city.

Sec. 86. Section 15J.4, subsection 3, paragraph a, Code 2020, is amended to read as follows:

a. The municipality shall submit a copy of the resolution, the proposed district plan, and all accompanying materials adopted pursuant to this section to the board for evaluation. The board shall not approve a proposed district plan on or after July 1, ~~2018~~ 2025.

Sec. 87. Section 15J.4, subsection 3, paragraph b, subparagraph (6), Code 2020, is amended to read as follows:

(6) The amount of proposed capital investment within the proposed district related to retail businesses in the proposed district does not exceed fifty percent of the total capital investment for all proposed projects in the proposed district plan. For the purposes of this subparagraph, *"retail business"* means any business engaged in the business of selling tangible personal property or taxable services at retail in this state that is obligated to collect state sales or use tax under chapter 423. However, for the purposes of this subparagraph,

"retail business" does not include a new lessor or a business engaged in an activity subject to tax under section 423.2, subsection 3.

Sec. 88. Section 15J.4, subsection 3, paragraph f, Code 2020, is amended to read as follows:

f. (1) The total aggregate amount of state sales tax revenues and state hotel and motel tax revenues that may be approved by the board for remittance to all municipalities and that may be transferred to the state reinvestment district fund under section 423.2A or 423A.6, and remitted to all municipalities having a reinvestment district under this chapter for districts approved by the board before July 1, 2018, shall not exceed one hundred million dollars.

(2) The total aggregate amount of state sales tax revenues and state hotel and motel tax revenues that may be approved by the board for remittance to all municipalities and that may be transferred to the state reinvestment district fund under section 423.2A or 423A.6, and remitted to all municipalities having a reinvestment district under this chapter for districts approved on or after July 1, 2020, but before July 1, 2025, shall not exceed one hundred million dollars.

Sec. 89. Section 15J.4, subsections 4 and 5, Code 2020, are amended to read as follows:

4. *a.* Upon receiving the approval of the board, the municipality ~~may~~ shall adopt an ordinance, or in the case of a municipality under section 15J.2, subsection 7, paragraph *"c"*, a resolution, establishing the district and shall notify the director of revenue of the district's commencement date established by the board and the information required under paragraph *"b"* no later than thirty days after adoption of the ordinance or resolution.

b. For each district approved by the board on or after July 1, 2020, the municipality shall include in the notification under paragraph *"a"* and in the statement required under paragraph *"c"* all of the following:

(1) For each new retail establishment under section 15J.2, subsection 9, paragraph "*b*", that was in operation before the establishment of the district, the monthly amount of sales subject to the state sales tax from the most recently available twelve-month period preceding the establishment of the district.

(2) For each new lessor under section 15J.2, subsection 8, paragraph "*b*", that was in operation before the establishment of the district, the monthly amount of sales subject to the state hotel and motel tax from the most recently available twelve-month period preceding the establishment of the district.

c. The ordinance or resolution adopted by the municipality shall include the district's commencement date and a detailed statement of the manner in which the approved projects to be undertaken in the district will be financed, including but not limited to the financial information included in the project plan under subsection 2, paragraph "*d*".

d. Following establishment of the district, a municipality may use the moneys deposited in the municipality's reinvestment project fund created pursuant to section 15J.7 to fund the development of those projects included within the district plan.

5. A municipality may amend the district plan to add or modify projects. However, a proposed modification to a project and each project proposed to be added shall first be approved by the board in the same manner as provided for the original plan. In no case, however, shall an amendment to the district plan result in the extension of the commencement date established by the board. If a district plan is amended to add or modify a project, the municipality shall, if necessary, amend the ordinance or resolution, as applicable, ~~if necessary,~~ to reflect any changes to the financial information required to be included under subsection 4.

Sec. 90. Section 15J.5, subsection 1, paragraph b, Code

2020, is amended to read as follows:

b. (1) ~~The~~ For districts established before July 1, 2020, the amount of new state sales tax revenue for purposes of paragraph *"a"* shall be the product of the amount of sales subject to the state sales tax in the district during the quarter from new retail establishments times four percent.

(2) For districts established on or after July 1, 2020, the amount of new state sales tax revenue for purposes of paragraph *"a"* shall be the product of four percent times the remainder of amount of sales subject to the state sales tax in the district during the quarter from new retail establishments minus the sum of the sales from the corresponding quarter of the twelve-month period determined under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (1), for new retail establishments identified under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (1), that were in operation at the end of the quarter.

Sec. 91. Section 15J.5, subsection 2, paragraph b, Code 2020, is amended to read as follows:

b. (1) ~~The~~ For districts established before July 1, 2020, the amount of new state hotel and motel tax revenue for purposes of paragraph *"a"* shall be the product of the amount of sales subject to the state hotel and motel tax in the district during the quarter from new lessors times the state hotel and motel tax rate imposed under section 423A.3.

(2) For districts established on or after July 1, 2020, the amount of new state hotel and motel tax revenue for purposes of paragraph *"a"* shall be the product of the state hotel and motel tax rate imposed under section 423A.3 times the remainder of amount of sales subject to the state hotel and motel tax in the district during the quarter from new lessors minus the sum of the sales from the corresponding quarter of the twelve month period determined under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (2), for new lessors identified under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (2), that were in operation at the end of the quarter.

Sec. 92. Section 15J.7, subsection 4, paragraph b, Code 2020, is amended to read as follows:

b. For the purposes of this subsection, *"relocation"* means the closure or substantial reduction of an enterprise's existing operations in one area of the state and the initiation of substantially the same operation in the same county or a contiguous county in the state. However, if the initiation of operations includes an expanded scope or nature of the enterprise's existing operations, the new operation shall not be considered to be substantially the same operation. *"Relocation"* does not include an enterprise expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced.

Sec. 93. Section 15J.7, subsection 6, Code 2020, is amended to read as follows:

6. Upon dissolution of a district pursuant to section 15J.8, moneys remaining in the reinvestment project fund that were deposited pursuant to subsection 2 and all interest remaining in the fund that was earned on such amounts shall be deposited in the general fund of the municipality or, for a municipality under section 15J.2, subsection 7, paragraph *"c"*, the governing body shall allocate such amounts to the participating cities and counties for deposit in each city or county general fund according to the chapter 28E agreement.

Sec. 94. Section 15J.8, Code 2020, is amended to read as follows:

15J.8 End of deposits — district dissolution.

1. As of the date twenty years after the district's commencement date, the department shall cease to deposit state sales tax revenues and state hotel and motel tax revenues into the district's account within the fund, unless the municipality dissolves the district by ordinance or resolution prior to that date. Following the expiration of the twenty-year period, the district shall be dissolved by ordinance or resolution of the

1 municipality adopted within twelve months of the conclusion of
2 the twenty-year period.
3 2. If the municipality dissolves the district by ordinance
4 or resolution prior to the expiration of the twenty-year
5 period specified in subsection 1, the municipality shall
6 notify the director of revenue of the dissolution as soon as
7 practicable after adoption of the ordinance or resolution, and
8 the department shall, as of the effective date of dissolution,
9 cease to deposit state sales tax revenues and state hotel and
10 motel tax revenues into the district's account within the fund.
11 3. Upon request of the municipality prior to the dissolution
12 of the district, and following a determination by the board
13 that the amounts of new state sales tax revenue and new state
14 hotel and motel tax revenue deposited in the municipality's
15 reinvestment project fund under section 15J.7 are substantially
16 lower than the amounts established by the board under section
17 15J.4, subsection 3, paragraph *"e"*, the board may extend
18 the district's twenty-year period of time for depositing and
19 receiving revenues under this chapter by up to five additional
20 years if such an extension is in the best interest of the
21 public.
22 DIVISION X
23 COMPUTER PERIPHERALS
24 Sec. 95. Section 423.1, Code 2020, is amended by adding the
25 following new subsection:
26 NEW SUBSECTION. 10A. *"Computer peripheral"* means an
27 ancillary device connected to the computer digitally, by
28 cable, or by other medium, used to put information into or get
29 information out of a computer.
30 Sec. 96. Section 423.3, subsection 47, Code 2020, is amended
31 to read as follows:
32 47. *a.* The sales price from the sale or rental of
33 computers, computer peripherals, machinery, equipment,
34 replacement parts, supplies, and materials used to construct
35 or self-construct computers, computer peripherals, machinery,

equipment, replacement parts, and supplies, if such items are any of the following:

(1) Directly and primarily used in processing by a manufacturer.

(2) Directly and primarily used to maintain the integrity of the product or to maintain unique environmental conditions required for either the product or the computers, computer peripherals, machinery, and equipment used in processing by a manufacturer, including test equipment used to control quality and specifications of the product.

(3) Directly and primarily used in research and development of new products or processes of processing.

(4) Computers and computer peripherals used in processing or storage of data or information by an insurance company, financial institution, or commercial enterprise.

(5) Directly and primarily used in recycling or reprocessing of waste products.

(6) Pollution-control equipment used by a manufacturer, including but not limited to that required or certified by an agency of this state or of the United States government.

b. The sales price from the sale of fuel used in creating heat, power, steam, or for generating electrical current, or from the sale of electricity, consumed by computers, computer peripherals, machinery, or equipment used in an exempt manner described in paragraph *"a"*, subparagraph (1), (2), (3), (5), or (6).

c. The sales price from the sale or rental of the following shall not be exempt from the tax imposed by this subchapter:

(1) Hand tools.

(2) Point-of-sale equipment, ~~and~~ computers, and computer peripherals.

(3) The following within the scope of section 427A.1, subsection 1, paragraphs *"h"* and *"i"*:

(a) Computers.

(b) Computer peripherals.

1 ~~(b)~~ (c) Machinery.
2 ~~(c)~~ (d) Equipment, including pollution control equipment.
3 ~~(d)~~ (e) Replacement parts.
4 ~~(e)~~ (f) Supplies.
5 ~~(f)~~ (g) Materials used to construct or self-construct the
6 following:
7 (i) Computers.
8 (ii) Computer peripherals.
9 ~~(ii)~~ (iii) Machinery.
10 ~~(iii)~~ (iv) Equipment, including pollution control
11 equipment.
12 ~~(iv)~~ (v) Replacement parts.
13 ~~(v)~~ (vi) Supplies.
14 (4) Vehicles subject to registration, except vehicles
15 subject to registration which are directly and primarily used
16 in recycling or reprocessing of waste products.
17 *d.* As used in this subsection:
18 (1) *"Commercial enterprise"* means businesses and
19 manufacturers conducted for profit, for-profit and nonprofit
20 insurance companies, and for-profit and nonprofit financial
21 institutions, but excludes other nonprofits and professions and
22 occupations.
23 (2) *"Financial institution"* means as defined in section
24 527.2.
25 (3) *"Insurance company"* means an insurer organized or
26 operating under chapter 508, 514, 515, 518, 518A, 519, or
27 520, or authorized to do business in Iowa as an insurer or an
28 insurance producer under chapter 522B.
29 (4) (a) *"Manufacturer"* means a business that primarily
30 purchases, receives, or holds personal property of any
31 description for the purpose of adding to its value by a process
32 of manufacturing with a view to selling the property for gain
33 or profit.
34 (b) *"Manufacturer"* includes contract manufacturers. A
35 contract manufacturer is a manufacturer that otherwise falls

1 within the definition of manufacturer, except that a contract
2 manufacturer does not sell the tangible personal property
3 the contract manufacturer processes on behalf of other
4 manufacturers.
5 (c) *"Manufacturer"* does not include persons who are not
6 commonly understood as manufacturers, including but not
7 limited to persons primarily engaged in any of the following
8 activities:
9 (i) Construction contracting.
10 (ii) Repairing tangible personal property or real property.
11 (iii) Providing health care.
12 (iv) Farming, including cultivating agricultural products
13 and raising livestock.
14 (v) Transporting for hire.
15 (d) For purposes of this subparagraph:
16 (i) *"Business"* means those businesses conducted for
17 profit, but excludes professions and occupations and nonprofit
18 organizations.
19 (ii) *"Manufacturing"* means those activities commonly
20 understood within the ordinary meaning of the term, and shall
21 include:
22 (A) Refining.
23 (B) Purifying.
24 (C) Combining of different materials.
25 (D) Packing of meats.
26 (E) Activities subsequent to the extractive process of
27 quarrying or mining, such as crushing, washing, sizing, or
28 blending of aggregate materials.
29 (iii) *"Manufacturing"* does not include activities occurring
30 on premises primarily used to make retail sales.
31 (5) *"Processing"* means a series of operations in which
32 materials are manufactured, refined, purified, created,
33 combined, or transformed by a manufacturer, ultimately
34 into tangible personal property. Processing encompasses
35 all activities commencing with the receipt or producing of

raw materials by the manufacturer and ending at the point products are delivered for shipment or transferred from the manufacturer. Processing includes but is not limited to refinement or purification of materials; treatment of materials to change their form, context, or condition; maintenance of the quality or integrity of materials, components, or products; maintenance of environmental conditions necessary for materials, components, or products; quality control activities; and construction of packaging and shipping devices, placement into shipping containers or any type of shipping devices or medium, and the movement of materials, components, or products until shipment from the processor.

(6) *"Receipt or producing of raw materials"* means activities performed upon tangible personal property only. With respect to raw materials produced from or upon real estate, the receipt or producing of raw materials is deemed to occur immediately following the severance of the raw materials from the real estate.

(7) *"Replacement part"* means tangible personal property other than computers, computer peripherals, machinery, equipment, or supplies, regardless of the cost or useful life of the tangible personal property, that meets all of the following conditions:

(a) The tangible personal property replaces a component of a computer, computer peripheral, machinery, or equipment, which component is capable of being separated from the computer, computer peripheral, machinery, or equipment.

(b) The tangible personal property performs the same or similar function as the component it replaced.

(c) The tangible personal property restores the computer, computer peripheral, machinery, or equipment to an operational condition, or upgrades or improves the efficiency of the computer, computer peripheral, machinery, or equipment.

(8) *"Supplies"* means tangible personal property, other than computers, computer peripherals, machinery, equipment, or

1 replacement parts, that meets one of the following conditions:
2 (a) The tangible personal property is to be connected to
3 a computer, computer peripheral, machinery, or equipment and
4 requires regular replacement because the property is consumed
5 or deteriorates during use, including but not limited to saw
6 blades, drill bits, filters, and other similar items with a
7 short useful life.
8 (b) The tangible personal property is used in conjunction
9 with a computer, computer peripheral, machinery, or equipment
10 and is specially designed for use in manufacturing specific
11 products and may be used interchangeably and intermittently on
12 a particular computer, computer peripheral, machine, or piece
13 of equipment, including but not limited to jigs, dies, tools,
14 and other similar items.
15 (c) The tangible personal property comes into physical
16 contact with other tangible personal property used in
17 processing and is used to assist with or maintain conditions
18 necessary for processing, including but not limited to cutting
19 fluids, oils, coolants, lubricants, and other similar items
20 with a short useful life.
21 (d) The tangible personal property is directly and
22 primarily used in an activity described in paragraph *"a"*,
23 subparagraphs (1) through (6), including but not limited to
24 prototype materials and testing materials.
25 Sec. 97. RESCISSION OF ADMINISTRATIVE RULES.
26 1. The following Iowa administrative rules are rescinded as
27 of July 1, 2020:
28 a. 701 Iowa administrative code, rule 18.34, subrule 1,
29 paragraph "b", subparagraph (1).
30 b. 701 Iowa administrative code, rule 18.45, subrule 1,
31 definition of "computer".
32 c. 701 Iowa administrative code, rule 18.58, subrule 1,
33 definition of "computer".
34 d. 701 Iowa administrative code, rule 230.14, subrule 2,
35 paragraph "a".

2. As soon as practicable after July 1, 2020, the Iowa administrative code editor shall remove the language of the Iowa administrative rules referenced in subsection 1 of this section from the Iowa administrative code.

DIVISION XI

SCHOOL TUITION ORGANIZATION TAX CREDIT

Sec. 98. Section 422.11S, subsection 8, paragraph a, subparagraph (2), Code 2020, is amended to read as follows:

(2) (a) *"Total approved tax credits"* means for the 2006 calendar year, two million five hundred thousand dollars, for the 2007 calendar year, five million dollars, for calendar years beginning on or after January 1, 2008, but before January 1, 2012, seven million five hundred thousand dollars, for calendar years beginning on or after January 1, 2012, but before January 1, 2014, eight million seven hundred fifty thousand dollars, for calendar years beginning on or after January 1, 2014, but before January 1, 2019, twelve million dollars, and for calendar years beginning on or after January 1, 2019, but before January 1, 2020, thirteen million dollars, and for calendar years beginning on or after January 1, 2020, fifteen million dollars.

(b) (i) During any calendar year beginning on or after January 1, 2022, if the amount of awarded tax credits from the preceding calendar year are equal to or greater than ninety percent of the total approved tax credits for the current calendar year, the total approved tax credits for the current calendar year shall equal the product of ten percent multiplied by the total approved tax credits for the current calendar year plus the total approved tax credits for the current calendar year.

(ii) If total approved tax credits are recomputed pursuant to subparagraph subdivision (i), the total approved tax credits shall equal the previous total approved tax credits recomputed pursuant to subparagraph subdivision (i) for purposes of future recomputations under subparagraph subdivision (i), provided

that the maximum total approved tax credits recomputed pursuant to this subparagraph division (b) shall not exceed twenty million dollars in a calendar year.

Sec. 99. Section 422.33, subsection 28, Code 2020, is amended to read as follows:

28. The taxes imposed under this division shall be reduced by a school tuition organization tax credit allowed under section 422.11S. ~~The maximum amount of tax credits that may be approved under this subsection for a tax year equals twenty-five percent of the school tuition organization's tax credits that may be approved pursuant to section 422.11S, subsection 8, for a tax year.~~

DIVISION XII

BROADBAND INFRASTRUCTURE TAXATION

Sec. 100. Section 422.7, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 18. *a.* Subtract, to the extent included, the amount of a federal, state, or local grant provided to a communications service provider, if the grant is used to install broadband infrastructure that facilitates broadband service in targeted service areas at or above the download and upload speeds.

b. As used in this subsection, *"broadband infrastructure"*, *"communications service provider"*, and *"targeted service area"* mean the same as defined in section 8B.1, respectively.

Sec. 101. Section 422.35, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 26. *a.* Subtract, to the extent included, the amount of a federal, state, or local grant provided to a communications service provider, if the grant is used to install broadband infrastructure that facilitates broadband service in targeted service areas at or above the download and upload speeds.

b. As used in this subsection, *"broadband infrastructure"*, *"communications service provider"*, and *"targeted service area"*

mean the same as defined in section 8B.1, respectively.

Sec. 102. REFUNDS. Refunds of taxes, interest, or penalties that arise from claims resulting from the enactment of this division of this Act, in the tax year beginning January 1, 2019, but before January 1, 2020, shall not be allowed unless refund claims are filed prior to October 1, 2020, notwithstanding any other provision of law to the contrary.

Sec. 103. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 104. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2019, and applies to tax years beginning on or after that date.

DIVISION XIII

LOCAL ASSESSORS

Sec. 105. Section 441.6, subsection 2, Code 2020, is amended to read as follows:

2. Upon receipt of the report of the examining board, the chairperson of the conference board shall by written notice call a meeting of the conference board to appoint an assessor. The meeting shall be held not later than seven days after the receipt of the report of the examining board by the conference board. At the meeting, the conference board shall appoint an assessor from the register of eligible candidates. However, if a special examination has not been conducted previously for the same vacancy, the conference board may request the director of revenue to hold a special examination pursuant to section 441.7. The chairperson of the conference board shall give written notice to the director of revenue of the appointment ~~and its effective date~~ within ten days of the decision of the board.

Sec. 106. Section 441.6, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 3. The appointee selected by the conference board under subsection 2 shall not assume the office of city or county assessor until such appointment is confirmed by

the director of revenue. If the director of revenue rejects the appointment, the examining board shall conduct a new examination and submit a new report to the conference board under subsection 1. The director of revenue shall adopt rules pursuant to chapter 17A to implement and administer this subsection.

Sec. 107. Section 441.17, subsection 2, Code 2020, is amended to read as follows:

2. Cause to be assessed, in accordance with section 441.21, all the property in the assessor's county or city, except property exempt from taxation, or the assessment of which is otherwise provided for by law. <u>However, an assessor or deputy assessor shall not personally assess a property if the person or a member of the person's immediate family owns the property, has a financial interest in the property, or has a financial interest in the entity that owns the property. The director of revenue shall adopt rules pursuant to chapter 17A to implement and administer this subsection.</u>

Sec. 108. Section 441.41, Code 2020, is amended to read as follows:

441.41 Legal counsel.

In the case of cities having an assessor, the city legal department shall represent the assessor and board of review in all litigation dealing with assessments. In the case of counties, the county attorney shall represent the assessor and board of review in all litigation dealing with assessments. Any taxing district interested in the taxes received from such assessments may be represented by an attorney and shall be required to appear by attorney upon written request of the assessor to the presiding officer of any such taxing district. ~~The~~ <u>Subject to review and prior approval by either the city legal department in the case of a city or the county attorney in the case of a county, the</u> conference board may employ special counsel to assist the city legal department or county attorney as the case may be.

DIVISION XIV

PAYCHECK PROTECTION PROGRAM (PPP)

Sec. 109. IOWA NET INCOME EXCLUSION FOR FEDERAL PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS FOR CERTAIN FISCAL-YEAR FILERS IN TAX YEAR 2019. Notwithstanding any other provision of law to the contrary, for any tax year beginning on or after January 1, 2019, and ending after March 27, 2020, Pub. L. No. 116-136, §1106(i), applies in computing net income for state tax purposes under section 422.7 or 422.35.

Sec. 110. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XV

IOWA INCOME TAX EXCLUSION — EMERGENCY STUDENT GRANT MONEY

Sec. 111. Section 422.7, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 59. Notwithstanding any other provision of law to the contrary, any funds received by a student through a higher education institution to support the student's financial needs as a result of the COVID-19 pandemic pursuant to §§3504, 18004, or 18008 of Pub. L. No. 116-136 shall not be included in the student's Iowa net income for any tax year ending after March 27, 2020.

Sec. 112. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 113. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to March 27, 2020, for tax years ending on or after that date.

DIVISION XVI

IOWA INCOME TAX EXCLUSION — STIMULUS CHECKS

Sec. 114. IOWA INCOME TAX EXCLUSION FOR ECONOMIC IMPACT PAYMENTS. In determining the amount of deduction for federal income tax under section 422.9 for tax years beginning in the 2020 calendar year, the amount of the deduction for the tax year shall not be adjusted by the amount received during the tax year of the income tax rebate provided pursuant to

the federal Recovery Rebates and Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, §2201, and the amount of such income tax rebate shall not be subject to taxation under chapter 422, division II.

DIVISION XVII

PRO RATA SHARE OF ENTITY-LEVEL INCOME TAX PAID BY SHAREHOLDERS OR BENEFICIARIES

Sec. 115. Section 422.8, subsection 1, Code 2020, is amended to read as follows:

1. *a.* The amount of income tax paid to another state or foreign country by a resident taxpayer of this state on income derived from sources outside of Iowa shall be allowed as a credit against the tax computed under this chapter, except that the credit shall not exceed what the amount of the Iowa tax would have been on the same income which was taxed by the other state or foreign country. The limitation on this credit shall be computed according to the following formula: Income earned outside of Iowa and taxed by another state or foreign country shall be divided by the total income of the resident taxpayer of Iowa. This quotient multiplied ~~times~~ by the net Iowa tax as determined on the total income of the taxpayer as if entirely earned in Iowa shall be the maximum tax credit against the Iowa net tax.

b. (1) For purposes of paragraph *"a"*, a resident partner of an entity taxed as a partnership for federal tax purposes, a resident shareholder of an S corporation, or a resident beneficiary of an estate or trust shall be deemed to have paid the resident partner's, resident shareholder's, or resident beneficiary's pro rata share of entity-level income tax paid by the partnership, S corporation, estate, or trust to another state or foreign country on income that is also subject to tax under this division, but only if the entity provides the resident partner, resident shareholder, or resident beneficiary a statement that documents the resident partner's, resident shareholder's, or resident beneficiary's share of the income

derived in the other state or foreign country, the income tax liability of the entity in that state or foreign country, and the income tax paid by the entity to that state or foreign country.

(2) For purposes of paragraph *"a"*, a resident shareholder of a regulated investment company shall be deemed to have paid the shareholder's pro rata share of entity-level income tax paid by the regulated investment company to another state or foreign country and treated as paid by its shareholders pursuant to section 853 of the Internal Revenue Code, but only if the regulated investment company provides the resident shareholder a statement that documents the resident shareholder's share of the income derived in the other state or foreign country, the income tax liability of the regulated investment company in that state or foreign country, and the income tax paid by the regulated investment company to that state or foreign country.

Sec. 116. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 117. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2020, for tax years beginning on or after that date.

DIVISION XVIII

IOWA SMALL BUSINESS RELIEF GRANT PROGRAM

Sec. 118. Section 422.7, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 59. Subtract, to the extent included, the amount of any financial assistance grant provided to an eligible small business by the economic development authority under the Iowa small business relief grant program created during calendar year 2020 to provide financial assistance to eligible small businesses economically impacted by the COVID-19 pandemic.

Sec. 119. Section 422.35, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 26. Subtract, to the extent included,

the amount of any financial assistance grant provided to an eligible small business by the economic development authority under the Iowa small business relief grant program created during calendar year 2020 to provide financial assistance to eligible small businesses economically impacted by the COVID-19 pandemic.

Sec. 120. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 121. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to March 23, 2020, for tax years ending on or after that date.

DIVISION XIX

SECTION 179 EXPENSING

Sec. 122. Section 422.7, subsections 51 and 52, Code 2020, are amended by striking the subsections.

Sec. 123. Section 422.9, subsection 2, paragraph h, Code 2020, is amended to read as follows:

h. For purposes of calculating the deductions in this subsection that are authorized under the Internal Revenue Code, and to the extent that any of such deductions is determined by an individual's federal adjusted gross income, the individual's federal adjusted gross income is computed in accordance with section 422.7, subsections 39, 39A, 39B, ~~51, 52,~~ and 53.

Sec. 124. Section 422.35, subsections 14 and 15, Code 2020, are amended by striking the subsections.

Sec. 125. PRESERVATION OF EXISTING RIGHTS. The sections of this division striking section 422.7, subsections 51 and 52, and section 422.35, subsections 14 and 15, respectively, shall not limit, modify, or otherwise adversely affect a taxpayer's right to deduct for a tax year beginning on or after January 1, 2020, any amount determined under section 422.7, subsection 52, paragraph "b", subparagraph (3), Code 2020, or under section 422.35, subsection 15, paragraph "b", subparagraph (3), Code 2020, for a tax year beginning prior to January 1, 2020.

Sec. 126. RETROACTIVE APPLICABILITY. This division of this

1 Act applies retroactively to January 1, 2020, for tax years
2 beginning on or after that date.
3 DIVISION XX
4 IOWA EDUCATIONAL SAVINGS PLAN TRUST (529 PLANS)
5 Sec. 127. Section 12D.1, subsection 2, paragraph k, Code
6 2020, is amended to read as follows:
7 *k. "Qualified education expenses"* means the same as
8 *"qualified higher education expenses"* as defined in section
9 529(e)(3) of the Internal Revenue Code, as amended by Pub. L.
10 No. 115-97, and shall include elementary and secondary school
11 expenses for tuition described in section 529(c)(7) of the
12 Internal Revenue Code, subject to the limitations imposed by
13 section 529(e)(3)(A) of the Internal Revenue Code. *"Qualified*
14 *education expenses"* includes expenses for the participation
15 in an apprenticeship program registered and certified with
16 the United States secretary of labor under section 1 of the
17 National Apprenticeship Act, 29 U.S.C. §50, and amounts paid as
18 principal or interest on any qualified education loan on behalf
19 of a beneficiary or a sibling of the beneficiary, subject to
20 the limitations imposed by section 529(c)(9)(B) and (C) of the
21 Internal Revenue Code.
22 Sec. 128. Section 12D.1, subsection 2, Code 2020, is amended
23 by adding the following new paragraphs:
24 NEW PARAGRAPH. *01. "Qualified education loan"* means the
25 same as "qualified education loan" as defined in section 221(d)
26 of the Internal Revenue Code.
27 NEW PARAGRAPH. *0m. "Sibling"* means a brother, sister,
28 stepbrother, or stepsister of the beneficiary.
29 Sec. 129. Section 422.7, subsection 32, paragraph c,
30 subparagraph (1), Code 2020, is amended by adding the following
31 new subparagraph divisions:
32 NEW SUBPARAGRAPH DIVISION. (d) The payment of expenses
33 for fees, books, supplies, and equipment required for the
34 participation of a beneficiary in an apprenticeship program.
35 NEW SUBPARAGRAPH DIVISION. (e) The payment of qualified

1 education loan repayments.
2 Sec. 130. Section 422.7, subsection 32, paragraph c,
3 subparagraph (2), Code 2020, is amended by adding the following
4 new subparagraph divisions:
5 NEW SUBPARAGRAPH DIVISION. (0a) *"Apprenticeship program"*
6 means a program registered and certified with the United
7 States secretary of labor under section 1 of the National
8 Apprenticeship Act, 29 U.S.C. §50.
9 NEW SUBPARAGRAPH DIVISION. (0c) *"Qualified education loan"*
10 means the same as defined in section 12D.1, subsection 2.
11 NEW SUBPARAGRAPH DIVISION. (00c) *"Qualified education loan*
12 *repayments"* means amounts paid as principal or interest on any
13 qualified education loan of the beneficiary or a sibling of
14 the beneficiary. The repayment amounts shall not exceed ten
15 thousand dollars in the aggregate for the beneficiary or the
16 sibling, respectively.
17 NEW SUBPARAGRAPH DIVISION. (d) *"Sibling"* means the same as
18 defined in section 12D.1, subsection 2.
19 Sec. 131. EFFECTIVE DATE. This division of this Act, being
20 deemed of immediate importance, takes effect upon enactment.
21 Sec. 132. RETROACTIVE APPLICABILITY. This division of this
22 Act applies retroactively to January 1, 2019, for tax years
23 beginning on or after that date.
24 DIVISION XXI
25 IOWA EDUCATIONAL SAVINGS ACCOUNT AND FIRST-TIME HOMEBUYER
26 ACCOUNT — EXTENSIONS
27 Sec. 133. EXTENSION OF IOWA EDUCATIONAL SAVINGS ACCOUNT
28 CONTRIBUTION DEDUCTION FOR TAX YEAR 2019. Notwithstanding any
29 provision of law to the contrary, in determining the deduction
30 provided under section 422.7, subsection 32, paragraph "a",
31 for tax years beginning during the 2019 calendar year, a
32 participant who makes a contribution to the Iowa educational
33 savings plan trust pursuant to section 12D.3, subsection 1, on
34 or after January 1, 2020, but on or before July 31, 2020, may
35 elect to be deemed to have made the contribution on the last

1 day of calendar year 2019.
2 Sec. 134. EXTENSION OF IOWA FIRST-TIME HOMEBUYER ACCOUNT
3 AND BENEFICIARY DESIGNATION FOR ACCOUNTS OPENED IN 2019.
4 1. Notwithstanding section 541B.3, subsection 1, paragraph
5 "a", or any other provision of law to the contrary, an
6 individual who opened a first-time homebuyer account during
7 calendar year 2019 and who wishes to participate in the Iowa
8 first-time homebuyer savings account program shall designate
9 the account as a first-time homebuyer account on or before July
10 31, 2020, on forms provided by the department of revenue.
11 2. Notwithstanding section 541B.3, subsection 2, paragraph
12 "a", or any other provision of law to the contrary, an
13 individual who opened a first-time homebuyer account during
14 calendar year 2019 and who wishes to participate in the Iowa
15 first-time homebuyer savings account program shall designate an
16 individual as beneficiary of the first-time homebuyer savings
17 account on or before July 31, 2020, on forms provided by the
18 department of revenue.
19 Sec. 135. EFFECTIVE DATE. This division of this Act, being
20 deemed of immediate importance, takes effect upon enactment.
21 DIVISION XXII
22 IOWA EDUCATIONAL SAVINGS PLAN TRUST (529 PLANS) —
23 RECONTRIBUTIONS
24 Sec. 136. Section 422.7, subsection 32, paragraph c,
25 subparagraph (1), Code 2020, is amended by adding the following
26 new subparagraph division:
27 NEW SUBPARAGRAPH DIVISION. (d) (i) A recontribution of
28 a refund of any qualified higher education expenses from an
29 eligible educational institution to the extent that such refund
30 has been recontributed to the Iowa educational savings plan
31 trust described in chapter 12D and meets all of the following
32 criteria:
33 (A) The recontribution is made to the same account from
34 which the original withdrawal was made.
35 (B) The recontribution occurs within sixty days of the date

of refund.

(C) The recontribution amount does not exceed the amount refunded by the eligible educational institution.

(ii) A deduction under paragraph *"a"* shall not be taken for the amount of the recontribution.

Sec. 137. Section 422.7, subsection 32, paragraph c, subparagraph (2), subparagraph division (c), subparagraph subdivision (ii), Code 2020, is amended to read as follows:

(ii) For purposes of this subparagraph division (c), *"Internal Revenue Code"* means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended and in effect on January 1, ~~2018~~ 2020. This definition shall not be construed to include any amendment to the Internal Revenue Code enacted after the date specified in the preceding sentence, including any amendment with retroactive applicability or effectiveness.

Sec. 138. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 139. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2019, for tax years beginning on or after that date.

DIVISION XXIII

QUALIFYING PERSONAL PROTECTION EQUIPMENT — DONATION

Sec. 140. Section 423.6, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 18. Qualifying personal protective equipment and materials which are assembled to become qualifying personal protective equipment. For purposes of this subsection, *"qualifying personal protective equipment"* means personal protective equipment that is assembled and donated by a person during the period beginning with a state of disaster emergency proclamation by the governor under section 29C.6 and ending one hundred eighty days after the expiration of such proclamation.

Sec. 141. REFUNDS. Refunds of taxes, interest, or penalties that arise from claims resulting from the enactment of this division of this Act, for donations occurring prior to the effective date of this division of this Act, shall not be allowed unless claims are filed prior to October 1, 2020, notwithstanding any other provision of the law to the contrary.

Sec. 142. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 143. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2020, for qualifying personal protective equipment and materials assembled and donated on or after that date.

DIVISION XXIV

FOOD OPERATION TRESPASS

Sec. 144. Section 716.7A, subsection 1, paragraph d, as enacted by 2020 Iowa Acts, Senate File 2413, section 17, is amended to read as follows:

d. (1) *"Food operation"* means any of the following:

~~(1)~~ (a) A location where a food animal is produced, maintained, or otherwise housed or kept, or processed in any manner.

~~(2)~~ (b) A location other than as described in subparagraph ~~(1)~~ division (a) where a food animal is kept, including an apiary, livestock market, vehicle or trailer attached to a vehicle, fair, exhibition, or a business operated by a person licensed to practice veterinary medicine pursuant to chapter 169.

~~(3)~~ (c) A location where a meat food product, poultry product, milk or milk product, eggs or an egg product, aquatic product, or honey is prepared for human consumption, including a food processing plant, a slaughtering establishment operating under the provisions of 21 U.S.C. §451 et seq. or 21 U.S.C. §601 et seq.; or a slaughtering establishment subject to state inspection as provided in chapter 189A.

~~(4)~~ (2) ~~A~~ *"Food operation"* does not include a food

establishment or farmers market ~~that sells or offers for sale a meat food product, poultry product, milk or milk product, eggs or an egg product, aquatic product, or honey~~.

Sec. 145. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 146. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to June 10, 2020.

DIVISION XXV

SHORT-TERM RENTAL PROPERTIES

Sec. 147. Section 331.301, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 18. *a.* For purposes of this subsection, *"short-term rental property"* means any individually or collectively owned single-family house or dwelling unit; any unit or group of units in a condominium, cooperative, or timeshare; or an owner-occupied residential home that is offered for a fee for thirty days or less. *"Short-term rental property"* does not include a unit that is used for any retail, restaurant, banquet space, event center, or other similar use.

b. A county shall not adopt or enforce any regulation, restriction, or other ordinance, including a conditional use permit requirement, relating to short-term rental properties within the county. A short-term rental property shall be classified as a residential land use for zoning purposes.

c. Notwithstanding paragraph *"b"*, a county may enact or enforce an ordinance that regulates, prohibits, or otherwise limits short-term rental properties for the following primary purposes if enforcement is performed in the same manner as enforcement applicable to similar properties that are not short-term rental properties:

(1) Protection of public health and safety related to fire and building safety, sanitation, or traffic control.

(2) Residential use and zoning purposes related to noise, property maintenance, or nuisance issues.

(3) Limitation or prohibition of use of property to house

1 sex offenders; to manufacture, exhibit, distribute, or sell
2 illegal drugs, liquor, pornography, or obscenity; or to operate
3 an adult-oriented entertainment establishment as described in
4 section 239B.5, subsection 4, paragraph *"a"*.
5 (4) To provide the county with an emergency contact for a
6 short-term rental property.
7 *d.* A county shall not require a license or permit fee for a
8 short-term rental property in the county.
9 Sec. 148. Section 414.1, subsection 1, Code 2020, is amended
10 by adding the following new paragraph:
11 NEW PARAGRAPH. *e.* (1) For purposes of this paragraph,
12 *"short-term rental property"* means any individually or
13 collectively owned single-family house or dwelling unit;
14 any unit or group of units in a condominium, cooperative,
15 or timeshare; or an owner-occupied residential home that is
16 offered for a fee for thirty days or less. *"Short-term rental*
17 *property"* does not include a unit that is used for any retail,
18 restaurant, banquet space, event center, or other similar use.
19 (2) A city shall not adopt or enforce any regulation,
20 restriction, or other ordinance, including a conditional use
21 permit requirement, relating to short-term rental properties
22 within the city. A short-term rental property shall be
23 classified as a residential land use for zoning purposes.
24 (3) Notwithstanding subparagraph (2), a city may enact or
25 enforce an ordinance that regulates, prohibits, or otherwise
26 limits short-term rental properties for the following primary
27 purposes if enforcement is performed in the same manner as
28 enforcement applicable to similar properties that are not
29 short-term rental properties:
30 (a) Protection of public health and safety related to fire
31 and building safety, sanitation, or traffic control.
32 (b) Residential use and zoning purposes related to noise,
33 property maintenance, or nuisance issues.
34 (c) Limitation or prohibition of use of property to house
35 sex offenders; to manufacture, exhibit, distribute, or sell

illegal drugs, liquor, pornography, or obscenity; or to operate an adult-oriented entertainment establishment as described in section 239B.5, subsection 4, paragraph *"a"*.

(d) To provide the city with an emergency contact for a short-term rental property.

(4) A city shall not require a license or permit fee for a short-term rental property in the city.

DIVISION XXVI

RURAL IMPROVEMENT ZONES

Sec. 149. Section 357H.1, subsection 1, Code 2020, is amended to read as follows:

1. The board of supervisors of a county with less than twenty thousand residents, not counting persons admitted or committed to an institution enumerated in section 218.1 or 904.102, based upon the most recent certified federal census, and with a private ~~lake~~ real estate development adjacent to or abutting in part a lake may designate an area surrounding the lake, if it is an unincorporated area of the county, a rural improvement zone upon receipt of a petition pursuant to section 357H.2, and upon the board's determination that the area is in need of improvements.

Sec. 150. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 151. APPLICABILITY. This division of this Act applies to rural improvement zones in existence on or established on or after the effective date of this division of this Act.

DIVISION XXVII

ENTERPRISE ZONE PROGRAM

Sec. 152. 2014 Iowa Acts, chapter 1130, section 27, is amended to read as follows:

SEC. 27. INVESTMENT TAX CREDITS ISSUED TO ELIGIBLE HOUSING BUSINESSES UNDER THE ENTERPRISE ZONE PROGRAM — TRANSFERABILITY. Notwithstanding the requirement in section 15E.193B, subsection 8, Code 2014, that not more than three million dollars worth of tax credits for housing developments

1 located in a brownfield site or a blighted area shall be
2 eligible for transfer in a calendar year unless the eligible
3 housing business is also eligible for low-income housing tax
4 credits authorized under section 42 of the Internal Revenue
5 Code, and notwithstanding the requirement in section 15E.193B,
6 subsection 8, Code 2014, that the economic development
7 authority shall not approve more than one million five hundred
8 thousand dollars in tax credit certificates for transfer to
9 any one eligible housing business located on a brownfield
10 site or in a blighted area in a calendar year, all investment
11 tax credits determined under section 15E.193B, subsection 6,
12 paragraph "a", Code 2014, for housing developments located on
13 a brownfield site or in a blighted area may be approved by
14 the economic development authority for transfer in calendar
15 year 2014, or any subsequent calendar year, provided the
16 eligible housing business was awarded the investment tax
17 credit before the effective date of this section of this
18 division of this Act and notifies the economic development
19 authority, in writing, before July 1, 2014, of its intent to
20 transfer such tax credits, <u>or provided the eligible housing</u>
21 <u>business was awarded the investment tax credit before July 1,</u>
22 <u>2015, for a housing development located in a blighted area</u>
23 <u>and in a county with a total population of less than one</u>
24 <u>hundred five thousand as determined by the most recent federal</u>
25 <u>decennial census, and submits a written request to the economic</u>
26 <u>development authority before September 1, 2020, for approval</u>
27 <u>to transfer such tax credits</u> and provided the eligible housing
28 business and the related housing development meet all other
29 applicable requirements under section 15E.193B, Code 2014.
30 Notwithstanding any other provision of law to the contrary, a
31 tax credit transferred pursuant to this section shall not be
32 claimed by a transferee prior to January 1, 2016.
33 Sec. 153. EFFECTIVE DATE. This division of this Act, being
34 deemed of immediate importance, takes effect upon enactment.
35 Sec. 154. RETROACTIVE APPLICABILITY. This division of this

Act applies retroactively to May 30, 2014.

DIVISION XXVIII

FLYING OUR COLORS SPECIAL REGISTRATION PLATES

Sec. 155. Section 321.34, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 11D. *Flying our colors plates.*

a. Upon application and payment of the proper fees, the director may issue flying our colors plates to the owner of a motor vehicle subject to registration under section 321.109, subsection 1, autocycle, motor truck, motor home, multipurpose vehicle, motorcycle, trailer, or travel trailer.

b. Flying our colors plates shall be designed by the department. Flying our colors plates shall be navy along the top and red along the bottom, and contain a white space in the middle of the plate which shall include the plate's letters and numbers in black and a gray image of a bald eagle behind the plate's letters and numbers.

c. (1) The special flying our colors fee for letter-number designated flying our colors plates is thirty-five dollars. An applicant may obtain personalized flying our colors plates upon payment of the fee for personalized plates as provided in subsection 5, which is in addition to the special fee. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and deposited in the road use tax fund.

(2) The treasurer of state shall credit monthly from the statutory allocations fund created under section 321.145, subsection 2, to the flood mitigation fund created under section 418.10, the amount of the special fees collected in the previous month for flying our colors plates. This subparagraph is repealed July 1, 2023.

d. Upon receipt of the special registration plates, the applicant shall surrender the current registration plates to the county treasurer. The county treasurer shall validate the special registration plates in the same manner as regular

1 registration plates are validated under this section. The
2 annual special flying our colors fee for letter-number
3 designated flying our colors plates is ten dollars which
4 shall be paid in addition to the regular annual registration
5 fee. The annual fee for personalized flying our colors
6 plates is five dollars which shall be paid in addition to the
7 annual special flying our colors fee and the regular annual
8 registration fee. The annual special flying our colors fee
9 shall be credited as provided under paragraph *"c"*.
10 Sec. 156. Section 321.166, subsection 9, Code 2020, is
11 amended to read as follows:
12 9. Special registration plates issued pursuant to section
13 321.34, other than gold star, medal of honor, collegiate,
14 fire fighter, natural resources, ~~and~~ blackout, and flying
15 our colors registration plates, shall be consistent with the
16 design and color of regular registration plates but shall
17 provide a space on a portion of the plate for the purpose of
18 allowing the placement of a distinguishing processed emblem or
19 an organization decal. Special registration plates shall also
20 comply with the requirements for regular registration plates
21 as provided in this section to the extent the requirements are
22 consistent with the section authorizing a particular special
23 vehicle registration plate.>
24 2. Title page, line 8, by striking <port authorities> and
25 inserting <short-term rentals, special registration plates>

By JAKE CHAPMAN

S-5157 FILED JUNE 13, 2020
ADOPTED

HOUSE FILE 2641

S-5160

Amend the amendment, S-5157, to House File 2641, as amended, passed, and reprinted by the House, as follows:

1. Page 86, after line 23 by inserting:

<DIVISION ___

BASEBALL AND SOFTBALL COMPLEX — SALES TAX REBATE

Sec. ___. Section 423.4, subsection 10, paragraph c, subparagraph (3), Code 2020, is amended to read as follows:

(3) The transactions for which sales tax was collected and the rebate is sought occurred on or after the baseball and softball complex's project completion date or the date on which the award under section 15F.207, Code 2019, was made, whichever is later, but before the date which is ~~ten~~ eleven years after the project completion date. However, the amount of rebates provided to a baseball and softball complex shall not exceed the amount of the award under section 15F.207, Code 2019, and not more than five million dollars in total rebates shall be provided pursuant to this subsection.>

2. By renumbering as necessary.

By LIZ MATHIS
TODD TAYLOR

S-5160 FILED JUNE 13, 2020
RULED OUT OF ORDER

HOUSE FILE 2641

S-5161

1 Amend the amendment, S-5157, to House File 2641, as amended,
2 passed, and reprinted by the House, as follows:
3 1. Page 86, after line 23 by inserting:
4 <DIVISION ___
5 FLOOD MITIGATION PROGRAM SALES TAX INCREMENT CALCULATION
6 Sec. ___. Section 418.11, subsection 2, paragraph a, Code
7 2020, is amended to read as follows:
8 *a.* Determine the amount of sales subject to the tax under
9 section 423.2 in each applicable area specified in subsection
10 3, during the corresponding quarter in the base year from
11 retail establishments in such areas. However, for projects
12 approved by the board before the effective date of this
13 division of this Act, the amount of sales determined under this
14 paragraph may be adjusted by the board under subsection 2A.
15 Sec. ___. Section 418.11, Code 2020, is amended by adding
16 the following new subsection:
17 NEW SUBSECTION. 2A. *a.* For projects approved by the board
18 before the effective date of this division of this Act, if
19 the applicable area under subsection 3 is within an area for
20 which the governor has proclaimed a disaster emergency or the
21 president of the United States has declared a major disaster
22 on or after January 1, 2020, but before June 30, 2020, and if
23 the amount determined under subsection 2, paragraph *"c"* for a
24 quarter beginning on or after January 1, 2020, is negative,
25 the governmental entity may file a request with the board to
26 adjust the amount determined and used under subsection 2,
27 paragraph *"a"*, to be an amount equal to the amount determined
28 under subsection 2, paragraph *"b"* for that quarter to be used
29 for each corresponding quarter for each of the next five years.
30 Requests for an adjustment under this subsection must be made
31 for each applicable quarter meeting the criteria of this
32 subsection.
33 *b.* Upon expiration of the five-year period, if the
34 amount under subsection 2, paragraph *"b"*, exceeds the amount
35 determined for the base year under subsection 2, paragraph *"a"*,

prior to the adjustment under this subsection 2A, the board shall restore the amount determined and used under subsection 2, paragraph *"a"* to an amount equal to the amount determined for the original base year. If, however, at the expiration of the five-year period, the amount under subsection 2, paragraph *"b"*, does not exceed the amount determined for the base year under subsection 2, paragraph *"a"*, prior to the adjustment under this subsection 2A, the board may extend the period of the adjustment for an additional five years. Similar additional reviews shall be conducted by the board every five years thereafter.

c. An adjustment to the amount determined under subsection 2, paragraph *"a"*, shall not be construed to allow the amount of remittances received by a governmental entity to otherwise exceed the maximum amount permitted under this chapter.

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

2. By renumbering as necessary.

By LIZ MATHIS
TODD TAYLOR

S-5161 FILED JUNE 13, 2020
WITHDRAWN

HOUSE FILE 2642

S-5159

1 Amend House File 2642, as amended, passed, and reprinted by
2 the House, as follows:
3 1. By striking everything after the enacting clause and
4 inserting:
5 <DIVISION I
6 REBUILD IOWA INFRASTRUCTURE FUND
7 Section 1. REBUILD IOWA INFRASTRUCTURE FUND —
8 APPROPRIATIONS. There is appropriated from the rebuild Iowa
9 infrastructure fund to the following departments and agencies
10 for the following fiscal years, the following amounts, or so
11 much thereof as is necessary, to be used for the purposes
12 designated:
13 1. DEPARTMENT OF ADMINISTRATIVE SERVICES
14 For security cameras on the state capitol complex,
15 notwithstanding section 8.57, subsection 5, paragraph "c":
16 FY 2020-2021:
17 ..... $ 250,000
18 2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
19 a. (1) For deposit in the water quality initiative fund
20 created in section 466B.45 for purposes of supporting the
21 water quality initiative administered by the division of soil
22 conservation and water quality as provided in section 466B.42,
23 including salaries, support, maintenance, and miscellaneous
24 purposes, notwithstanding section 8.57, subsection 5, paragraph
25 "c":
26 FY 2020-2021:
27 ..... $ 5,200,000
28 (2) (a) The moneys appropriated in this lettered
29 paragraph shall be used to support demonstration projects in
30 subwatersheds as designated by the department that are part
31 of high-priority watersheds identified by the water resources
32 coordinating council.
33 (b) The moneys appropriated in this lettered paragraph
34 shall be used to support demonstration projects in watersheds
35 generally, including regional watersheds, as designated by the

1 division and high-priority watersheds identified by the water
2 resources coordinating council.
3 (3) In supporting projects in watersheds and subwatersheds
4 as provided in subparagraph (2), subparagraph divisions (a) and
5 (b), all of the following shall apply:
6 (a) The demonstration projects shall utilize water quality
7 practices as described in the latest revision of the document
8 entitled "Iowa Nutrient Reduction Strategy" initially presented
9 in November 2012 by the department of agriculture and land
10 stewardship, the department of natural resources, and Iowa
11 state university of science and technology.
12 (b) The division shall implement demonstration projects
13 as provided in subparagraph division (a) by providing
14 for participation by persons who hold a legal interest in
15 agricultural land used in farming. To every extent practical,
16 the division shall provide for collaborative participation by
17 such persons who hold a legal interest in agricultural land
18 located within the same subwatershed.
19 (c) The division shall implement demonstration projects on
20 a cost-share basis as determined by the division. Except for
21 edge-of-field practices, the state's share of the amount shall
22 not exceed 50 percent of the estimated cost of establishing the
23 practice as determined by the division or 50 percent of the
24 actual cost of establishing the practice, whichever is less.
25 (d) The demonstration projects shall be used to educate
26 other persons about the feasibility and value of establishing
27 similar water quality practices. The division shall promote
28 field day events for purposes of allowing interested persons to
29 establish water quality practices on their agricultural land.
30 (e) The division shall conduct water quality evaluations
31 within supported subwatersheds. Within a reasonable period
32 after accumulating information from such evaluations, the
33 division shall create an aggregated database of water quality
34 practices. Any information identifying a person holding a
35 legal interest in agricultural land or specific agricultural

land shall be a confidential record.

(4) The moneys appropriated in this lettered paragraph shall be used to support education and outreach in a manner that encourages persons who hold a legal interest in agricultural land used for farming to implement water quality practices, including the establishment of such practices in watersheds generally, and not limited to subwatersheds or high-priority watersheds.

(5) The moneys appropriated in this lettered paragraph may be used to contract with persons to coordinate the implementation of efforts provided in this paragraph.

(6) The moneys appropriated in this lettered paragraph may be used by the department to support urban soil and water conservation efforts, which may include but are not limited to management practices related to bioretention, landscaping, the use of permeable or pervious pavement, and soil quality restoration. The moneys shall be allocated on a cost-share basis as provided in chapter 161A.

(7) Notwithstanding any other provision of law to the contrary, the department may use moneys appropriated in this lettered paragraph to carry out the provisions of this paragraph on a cost-share basis in combination with other moneys available to the department from a state or federal source.

(8) Not more than 10 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of the water quality initiative administered by the soil conservation division.

b. For deposit in the renewable fuels infrastructure fund created in section 159A.16 for renewable fuel infrastructure programs:

FY 2020-2021:

..... $ 3,000,000

3. DEPARTMENT OF CULTURAL AFFAIRS

a. For deposit in the Iowa great places program fund created

in section 303.3D for Iowa great places program projects that meet the definition of "vertical infrastructure" in section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 1,000,000

b. For grants to nonprofit organizations committed to strengthening communities through youth development, healthy living, and social responsibility for costs associated with the renovation and maintenance of facility infrastructure at facilities located in cities with a population of less than 28,000 as determined by the 2010 federal decennial census:

FY 2020-2021:

..... $ 250,000

4. ECONOMIC DEVELOPMENT AUTHORITY

a. For deposit in the community attraction and tourism fund created in section 15F.204:

FY 2020-2021:

..... $ 5,000,000

b. For equal distribution to regional sports authority districts certified by the department pursuant to section 15E.321, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 500,000

5. DEPARTMENT OF HUMAN SERVICES

a. For critical infrastructure at state institutions, including the state resource centers, the mental health institutes, and the state training school at Eldora:

FY 2020-2021:

..... $ 596,500

b. For the renovation and construction of certain nursing facilities, consistent with the provisions of chapter 249K:

FY 2020-2021:

..... $ 500,000

c. For a grant to a nonprofit agency that provides expert

1 care for children with medical complexity to expand its
2 services to those children who reach adulthood in their care
3 by providing infrastructure funding for expanding a nursing
4 facility:
5 FY 2021-2022:
6 ..... $ 500,000
7 6. IOWA LAW ENFORCEMENT ACADEMY
8 For costs associated with furniture, fixtures, and equipment
9 at the academy, notwithstanding section 8.57, subsection 5,
10 paragraph "c":
11 FY 2020-2021:
12 ..... $ 280,000
13 7. DEPARTMENT OF NATURAL RESOURCES
14 a. For implementation of lake projects that have
15 established watershed improvement initiatives and community
16 support in accordance with the department's annual lake
17 restoration plan and report, notwithstanding section 8.57,
18 subsection 5, paragraph "c":
19 FY 2020-2021:
20 ..... $ 8,600,000
21 b. For state park infrastructure improvements:
22 FY 2020-2021:
23 ..... $ 1,000,000
24 c. For the administration of a water trails and low head
25 dam public hazard statewide plan, including salaries, support,
26 maintenance, and miscellaneous purposes, notwithstanding
27 section 8.57, subsection 5, paragraph "c":
28 FY 2020-2021:
29 ..... $ 250,000
30 8. DEPARTMENT OF PUBLIC DEFENSE
31 a. For major maintenance projects at national guard
32 armories and facilities:
33 FY 2020-2021:
34 ..... $ 1,000,000
35 b. For improvement projects for Iowa national guard

installations and readiness centers to support operations and training requirements:

FY 2020-2021:

..... $ 1,000,000

c. For construction improvement projects at the Camp Dodge facility:

FY 2020-2021:

..... $ 250,000

d. The department of public defense shall report to the general assembly by December 15, 2020, regarding the projects the department has funded or intends to fund from moneys appropriated to the department pursuant to this subsection for the fiscal year beginning July 1, 2020.

9. DEPARTMENT OF PUBLIC SAFETY

a. For payments and other costs due under a financing agreement entered into by the treasurer of state for building the statewide interoperable communications system pursuant to section 29C.23, subsection 2, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 3,960,945

b. For the purchase of ballistic vests, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 467,500

c. For the purchase of bomb suits, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 384,000

d. For the purchase of an airplane, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 1,713,170

10. BOARD OF REGENTS

a. For allocation by the state board of regents to the

state university of Iowa, Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in the operating funds resulting from the pledging of tuition, student fees and charges, and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions:

FY 2020-2021:

..... $ 28,268,466

b. For the renovation and construction of an industrial technology center at the university of northern Iowa to include reimbursement of infrastructure costs incurred by the university for construction of the facility in the prior fiscal year:

FY 2021-2022:

..... $ 13,000,000

FY 2022-2023:

..... $ 18,000,000

FY 2023-2024:

..... $ 8,500,000

11. DEPARTMENT OF TRANSPORTATION

a. For deposit in the public transit infrastructure grant fund created in section 324A.6A, for projects that meet the definition of vertical infrastructure in section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

..... $ 500,000

b. For acquiring, constructing, and improving recreational trails within the state:

FY 2020-2021:

..... $ 1,000,000

c. For deposit in the railroad revolving loan and grant fund created in section 327H.20A, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2020-2021:

1 ..... $ 500,000
2 d. For vertical infrastructure improvements at the
3 commercial service airports within the state:
4 FY 2020-2021:
5 ..... $ 1,000,000
6 e. For vertical infrastructure improvements at general
7 aviation airports within the state:
8 FY 2020-2021:
9 ..... $ 650,000
10 12. TREASURER OF STATE
11 For distribution in accordance with chapter 174 to qualified
12 fairs that belong to the association of Iowa fairs for county
13 fair vertical infrastructure improvements:
14 FY 2020-2021:
15 ..... $ 1,060,000
16 13. DEPARTMENT OF VETERANS AFFAIRS
17 For resurfacing the roadway at the Iowa veteran's cemetery:
18 FY 2020-2021:
19 ..... $ 50,000
20 14. JUDICIAL BRANCH
21 a. For major maintenance to the Iowa judicial building:
22 FY 2020-2021:
23 ..... $ 400,000
24 b. For furniture and equipment for justice centers
25 located in counties with a population of less than 400,000
26 as determined by the 2010 federal decennial census,
27 notwithstanding section 8.57, subsection 5, paragraph "c":
28 FY 2020-2021:
29 ..... $ 211,455
30 15. LEGISLATIVE BRANCH
31 For repair of the gutters of the Iowa state capitol:
32 FY 2020-2021:
33 ..... $ 1,250,000
34 FY 2021-2022:
35 ..... $ 1,250,000

1 Sec. 2. REVERSION. For purposes of section 8.33, unless
2 specifically provided otherwise, unencumbered or unobligated
3 moneys from an appropriation made in this division of this Act
4 shall not revert but shall remain available for expenditure for
5 the purposes designated until the close of the fiscal year that
6 ends two years after the end of the fiscal year for which the
7 appropriation is made. However, if the project or projects for
8 which such appropriation was made are completed in an earlier
9 fiscal year, unencumbered or unobligated moneys shall revert at
10 the close of that same fiscal year.
11 DIVISION II
12 TECHNOLOGY REINVESTMENT FUND
13 Sec. 3. TECHNOLOGY REINVESTMENT FUND. There is
14 appropriated from the technology reinvestment fund created in
15 section 8.57C to the following departments and agencies for the
16 fiscal year beginning July 1, 2020, and ending June 30, 2021,
17 the following amounts, or so much thereof as is necessary, to
18 be used for the purposes designated:
19 1. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD
20 For upgrading the web reporting system:
21 ..... $ 500,000
22 2. DEPARTMENT OF CORRECTIONS
23 For institutions building automation systems:
24 ..... $ 500,000
25 3. DEPARTMENT OF EDUCATION
26 a. For the continued development and implementation of an
27 educational data warehouse to be utilized by teachers, parents,
28 school district administrators, area education agency staff,
29 department of education staff, and policymakers:
30 ..... $ 600,000
31 The department may allocate a portion of the moneys
32 appropriated in this lettered paragraph for an e-transcript
33 data system capable of tracking students throughout their
34 education via interconnectivity with multiple schools.
35 b. For maintenance and lease costs associated with

1 connections for part III of the Iowa communications network:
2 ..... $ 2,727,000
3 c. To the public broadcasting division for the replacement
4 of equipment:
5 ..... $ 1,000,000
6 4. DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
7 For the implementation of a statewide mass notification and
8 emergency messaging system:
9 ..... $ 400,000
10 5. DEPARTMENT OF HUMAN RIGHTS
11 a. For the cost of equipment and computer software for the
12 continued development and implementation of Iowa's criminal
13 justice information system:
14 ..... $ 1,400,000
15 b. For the costs associated with the justice enterprise data
16 warehouse:
17 ..... $ 157,980
18 6. IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION
19 For firewall and distributed denial-of-service attack
20 protection for the Iowa communications network:
21 ..... $ 2,071,794
22 7. IOWA LAW ENFORCEMENT ACADEMY
23 For information technology for classrooms and conference
24 rooms at the academy building:
25 ..... $ 400,000
26 8. DEPARTMENT OF HUMAN SERVICES
27 For technology costs associated with the state poison
28 control center:
29 ..... $ 34,000
30 9. DEPARTMENT OF MANAGEMENT
31 a. For the continued development and implementation of
32 a searchable database that can be placed on the internet for
33 budget and financial information:
34 ..... $ 45,000
35 b. For the continued development and implementation of the

1 comprehensive electronic grant management system:
2 ..... $ 70,000
3 c. For the upgrade of the local government budget and
4 property tax system:
5 ..... $ 624,000
6 10. DEPARTMENT OF PUBLIC HEALTH
7 For replacement of computer infrastructure and software at
8 the state medical examiner's office:
9 ..... $ 395,000
10 11. DEPARTMENT OF REVENUE
11 For tax system modernization:
12 ..... $ 4,070,460
13 12. DEPARTMENT OF VETERANS AFFAIRS
14 For security cameras at the Iowa veteran's cemetery:
15 ..... $ 21,000
16 13. JUDICIAL BRANCH
17 For voice-over internet protocol phone upgrades at county
18 courthouses:
19 ..... $ 163,000
20 Sec. 4. REVERSION. For purposes of section 8.33, unless
21 specifically provided otherwise, unencumbered or unobligated
22 moneys from an appropriation made in this division of this Act
23 shall not revert but shall remain available for expenditure for
24 the purposes designated until the close of the fiscal year that
25 ends two years after the end of the fiscal year for which the
26 appropriation is made. However, if the project or projects for
27 which such appropriation was made are completed in an earlier
28 fiscal year, unencumbered or unobligated moneys shall revert at
29 the close of that same fiscal year.
30 DIVISION III
31 CHANGES TO PRIOR APPROPRIATIONS
32 Sec. 5. 2015 Iowa Acts, chapter 139, section 1, subsection
33 10, paragraph b, as amended by 2017 Iowa Acts, chapter 173,
34 section 11, 2018 Iowa Acts, chapter 1162, section 9, and
35 2019 Iowa Acts, chapter 137, section 6 is amended to read as

follows:

b. For construction of a student innovation center at Iowa state university of science and technology, to include reimbursement of infrastructure costs incurred by the university for construction of the facility in ~~the~~ prior fiscal ~~year~~ years:

FY 2016-2017:

..... $ 1,000,000

FY 2017-2018:

..... $ 6,000,000

FY 2018-2019:

..... $ 6,000,000

FY 2019-2020:

..... $ 7,000,000

FY 2020-2021:

..... $ ~~10,000,000~~ 6,625,000

FY 2021-2022:

..... $ ~~10,000,000~~ 13,375,000

Sec. 6. 2016 Iowa Acts, chapter 1133, section 7, is amended to read as follows:

SEC. 7. REVERSION.

1. ~~For~~ Except as provided in subsection 2, for purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys made from an appropriation in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends three years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

2. For purposes of section 8.33, unless specifically

provided otherwise, unencumbered or unobligated moneys appropriated in section 6, subsection 2, of this division of this 2016 Act, shall not revert but shall remain available for the purpose designated until the close of the fiscal year that begins July 1, 2020.

Sec. 7. 2018 Iowa Acts, chapter 1162, section 1, is amended to read as follows:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

For major maintenance projects:

FY 2018-2019:

..... $ 24,500,000

Of the moneys appropriated in this subsection for the fiscal year beginning July 1, 2018, the department shall give priority to projects for repair of the roof of the state historical building and is authorized to expend such amount not to exceed $3,300,000 for the costs associated with projects for repair of the roof of the state historical building.

FY 2019-2020:

..... $ 20,000,000

Of the moneys appropriated in this subsection for the fiscal year beginning July 1, 2019, the department shall give priority to projects for repair of the roof of the state historical building and is authorized to expend such amount not to exceed $3,300,000 for the costs associated with projects for repair of the roof of the state historical building.

FY 2020-2021:

..... $ ~~20,000,000~~
12,000,000

FY 2021-2022:

..... $ 20,000,000

FY 2022-2023:

..... $ 20,000,000

FY 2023-2024:

..... $ 20,000,000

Sec. 8. 2018 Iowa Acts, chapter 1162, section 1, subsection

10, paragraph b, is amended to read as follows:

b. For construction of a new veterinary diagnostic laboratory at Iowa state university of science and technology, to include reimbursement of infrastructure costs incurred by the university for construction of the laboratory in ~~the~~ prior fiscal ~~year~~ years:

FY 2018-2019:

..... $ 1,000,000

FY 2019-2020:

..... $ 12,500,000

FY 2020-2021:

..... $ ~~12,500,000~~
8,900,000

FY 2021-2022:

..... $ 12,500,000

FY 2022-2023:

..... $ 12,500,000

FY 2023-2024:

..... $ ~~12,500,000~~
16,100,000

Sec. 9. 2019 Iowa Acts, chapter 137, section 1, subsection 4, paragraphs d and e, are amended to read as follows:

d. For deposit in the vacant state buildings demolition fund created in section 15.261:

FY 2019-2020:

..... $ 1,000,000

~~FY 2020-2021:~~

~~..... $ 1,000,000~~

FY 2021-2022:

..... $ 1,000,000

e. For deposit in the vacant state buildings rehabilitation fund created in section 15.262, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2019-2020:

..... $ 1,000,000

~~FY 2020-2021:~~

~~..... $ 1,000,000~~

FY 2021-2022:

..... $ 1,000,000

Sec. 10. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION IV

MISCELLANEOUS PROVISIONS

Sec. 11. Section 2.12B, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. The facilities manager for facilities under the control of the general assembly shall develop and submit to the legislative council by December 15, 2020, a five-year maintenance project schedule report, with annual written updates thereafter, for the Iowa state capitol and the Ola Babcock Miller building.

Sec. 12. Section 8.57C, subsection 3, paragraph a, subparagraph (2), Code 2020, is amended to read as follows:

(2) The fiscal year beginning July 1, ~~2020~~ 2021, and for each subsequent fiscal year thereafter.

Sec. 13. Section 8.57C, subsection 3, Code 2020, is amended by adding the following new paragraph:

NEW PARAGRAPH. *i.* There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the sum of eighteen million five hundred fifty thousand dollars to the technology reinvestment fund, notwithstanding section 8.57, subsection 5, paragraph *"c"*.

Sec. 14. ROUTINE MAINTENANCE FUND. Notwithstanding the standing appropriation in section 8A.330, there is appropriated from the rebuild Iowa infrastructure fund to the department of administrative services for deposit in the routine maintenance fund established in section 8A.330 for the fiscal year beginning July 1, 2020, the sum of one million dollars.

DIVISION V

REBUILD IOWA INFRASTRUCTURE FUND APPROPRIATION

Sec. 15. IOWA ECONOMIC EMERGENCY FUND TRANSFERS. Notwithstanding any provision of section 8.55 to the contrary and for purposes of transfers from the Iowa economic emergency fund created in section 8.55 as provided in this section during the fiscal year beginning July 1, 2020, the maximum balance of the Iowa economic emergency fund is the amount equal to two and one-half percent of the adjusted revenue estimate for the fiscal year beginning July 1, 2020. If the amount of moneys in the Iowa economic emergency fund is equal to the maximum balance, moneys in excess of this amount shall be distributed as follows during the fiscal year beginning July 1, 2020:

1. The first seventy million dollars shall be transferred to the general fund of the state.

2. Of the excess remaining after the transfer in subsection 1, the difference, reduced by the transfer made in subsection 1, between the actual net revenue for the general fund of the state for the fiscal year beginning July 1, 2019, and ending June 30, 2020, and the adjusted revenue estimate for the fiscal year beginning July 1, 2019, and ending June 30, 2020, shall be transferred to the taxpayer relief fund created in section 8.57E.

3. The remainder of the excess, if any, shall be transferred to the general fund of the state.

Sec. 16. REBUILD IOWA INFRASTRUCTURE FUND — GENERAL FUND APPROPRIATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 2019, and ending June 30, 2020, to the rebuild Iowa infrastructure fund created in section 8.57, the sum of seventy million dollars.

Sec. 17. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 18. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to June 1, 2020.

DIVISION VI

CONTINGENT EFFECTIVE DATE AND RETROACTIVE APPLICABILITY

1 Sec. 19. EFFECTIVE UPON ENACTMENT. Unless otherwise
2 provided, this Act, if approved by the governor on or after
3 July 1, 2020, takes effect upon enactment.
4 Sec. 20. RETROACTIVE APPLICABILITY. Unless otherwise
5 provided, this Act, if approved by the governor on or after
6 July 1, 2020, applies retroactively to July 1, 2020.>

By CRAIG JOHNSON

S-5159 FILED JUNE 13, 2020
ADOPTED

HOUSE FILE 2643

S-5163

1 Amend House File 2643, as amended, passed, and reprinted by
2 the House, as follows:
3 1. By striking everything after the enacting clause and
4 inserting:
5 <DIVISION I
6 CONTINUING APPROPRIATIONS
7 Section 1. CONTINUING APPROPRIATIONS —— FY 2020-2021.
8 1. APPROPRIATIONS DETERMINED FROM FY 2019-2020 LINE ITEM
9 AND LIMITED STANDING APPROPRIATIONS.
10 a. For all line item appropriations, standing limited
11 appropriations, and standing unlimited appropriations otherwise
12 limited by law, including appropriations from federal and
13 nonstate funds, the department of management, in consultation
14 with the legislative services agency, shall determine the
15 amount of such line item appropriations, standing limited
16 appropriations, and standing unlimited appropriations otherwise
17 limited by law, including appropriations from federal and
18 nonstate funds, made for the fiscal year beginning July 1,
19 2019, and ending June 30, 2020, by taking into consideration
20 all of the following:
21 (1) 2020 Iowa Acts, Senate Files 2144 and 2408, and other
22 2020 Iowa Acts.
23 (2) 2019 Iowa Acts.
24 (3) All interdepartmental and intradepartmental transfers
25 made pursuant to section 8.39 and other provisions of law.
26 (4) Other provisions of law.
27 b. The department of management, in consultation with the
28 legislative services agency, shall also identify the entities
29 to which such appropriations were made, or the entities'
30 successors.
31 2. CONTINUING APPROPRIATIONS. There is appropriated
32 from the appropriate state fund or account to the entities
33 identified pursuant to subsection 1, for the fiscal year
34 beginning July 1, 2020, and ending June 30, 2021, amounts, or
35 so much thereof as is necessary, equal to the amounts of all

line item appropriations, standing limited appropriations, and standing unlimited appropriations otherwise limited by law, including federal and nonstate funds, made for the fiscal year beginning July 1, 2019, and ending June 30, 2020, as determined pursuant to subsection 1, to be used for the same designated purposes.

3. DUPLICATIVE STANDING APPROPRIATIONS SUPPLANTED. The amounts appropriated under subsection 2 shall supplant any duplicative standing appropriation for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

4. MISCELLANEOUS PROVISIONS APPLICABLE TO FY 2020—2021. Any powers, duties, limitations, or requirements, including reporting requirements, set forth in 2019 Iowa Acts, chapters 85, 89, 131, 135, 136, 154, 155, and 163, for the fiscal year beginning July 1, 2019, and ending June 30, 2020, are applicable for the fiscal year beginning July 1, 2020, and ending June 30, 2021, and any specified date contained therein shall apply one year later than specified in such chapters.

5. ALLOCATION AMOUNTS. For any line item appropriation, standing limited appropriation, or standing unlimited appropriation otherwise limited by law identified pursuant to subsection 1 which is subject to an allocation amount for the fiscal year beginning July 1, 2019, and ending June 30, 2020, the amount appropriated under subsection 2 based on such appropriation shall be subject to the same allocation amount for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

6. NONREVERSION PROVISIONS. For any line item appropriation, standing limited appropriation, or standing unlimited appropriation otherwise limited by law identified pursuant to subsection 1 that is subject to a specified nonreversion provision, whether for a limited or unlimited period, the amount appropriated under subsection 2 based on such appropriation shall be subject to the same specified nonreversion provision, and in the case of a specified

nonreversion provision for a limited period, the period shall be considered to be one fiscal year longer than specified for the appropriation identified pursuant to subsection 1.

7. FULL-TIME EQUIVALENT POSITIONS. The amounts appropriated under subsection 2 to an entity identified pursuant to subsection 1 may be used by the entity for a number of full-time equivalent positions for the fiscal year beginning July 1, 2020, and ending June 20, 2021, equal to the number of full-time equivalent positions authorized for the entity for the fiscal year beginning July 1, 2019, and ending June 30, 2020.

8. EXCLUSIONS. This section does not apply to any of the following:

a. Appropriations made from the rebuild Iowa infrastructure fund and the technology reinvestment fund pursuant to 2019 Iowa Acts, chapter 137.

b. Appropriations made to the department of transportation from the road use tax fund and the primary road fund pursuant to 2019 Iowa Acts, chapter 52.

c. The appropriation made to the department of administrative services from the general fund of the state for establishing a listing of real property owned or leased by the state pursuant to 2019 Iowa Acts, chapter 136, section 1, subsection 1, paragraph "d".

d. The appropriation made to the department of cultural affairs from the general fund of the state for payment of rent for the state records center pursuant to 2019 Iowa Acts, chapter 154, section 1, subsection 1, paragraph "g".

e. The appropriation made to the Iowa law enforcement academy from the general fund of the state for costs associated with temporary relocation of the Iowa law enforcement academy pursuant to 2019 Iowa Acts, chapter 163, section 10, subsection 1, paragraph "a", subparagraph (2), as amended in this Act.

f. The appropriation made to the department of homeland security and emergency management from the general fund of the

state for flood recovery pursuant to 2020 Iowa Acts, Senate File 2144, section 3.

g. The appropriation made to the department of management for distribution of moneys to other governmental entities for the payment of rate adjustments established by the office of the chief information officer pursuant to 2019 Iowa Acts, chapter 136, section 16, subsection 2.

h. The appropriation made to the department of revenue from the general fund of the state for technology upgrades pursuant to 2019 Iowa Acts, chapter 136, section 19, subsection 1, paragraph "b".

i. Any line item appropriation, standing limited appropriation, or standing unlimited appropriation otherwise limited by law that is otherwise provided for in this Act.

Sec. 2. REPEAL. 2020 Iowa Acts, Senate File 2408, sections 7 and 8, are repealed.

DIVISION II

GENERAL ASSEMBLY

Sec. 3. GENERAL ASSEMBLY.

1. The appropriations made pursuant to section 2.12 for the expenses of the general assembly and legislative agencies for the fiscal year beginning July 1, 2020, and ending June 30, 2021, are reduced by the following amount:

..... $ 1,000,000

2. The budgeted amounts for the general assembly and legislative agencies for the fiscal year beginning July 1, 2020, may be adjusted to reflect the unexpended budgeted amounts from the previous fiscal year.

DIVISION III

ADMINISTRATION AND REGULATION APPROPRIATIONS — FY 2020-2021

Sec. 4. DEPARTMENT OF ADMINISTRATIVE SERVICES. There is appropriated from the general fund of the state to the department of administrative services for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amount, or so much thereof as is necessary, to be used for the

purposes designated:

For the payment of utility costs, and for not more than the following full-time equivalent positions:

..... $ 3,882,948

..... FTEs 1.00

Notwithstanding section 8.33, any excess moneys appropriated for utility costs in this section shall not revert to the general fund of the state at the end of the fiscal year but shall remain available for expenditure for the purposes designated during the succeeding fiscal year.

Sec. 5. SECRETARY OF STATE — ADMINISTRATION AND ELECTIONS. There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 1,874,870

..... FTEs 16.00

The state department or agency that provides data processing services to support voter registration file maintenance and storage shall provide those services without charge.

DIVISION IV

EDUCATION APPROPRIATIONS — FY 2020-2021

Sec. 6. STATE BOARD OF REGENTS. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. STATE SCHOOL FOR THE DEAF

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 10,536,171
..... FTEs 101.84

2. IOWA BRAILLE AND SIGHT SAVING SCHOOL

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 4,434,459
..... FTEs 58.00

Sec. 7. BOARD OF REGENTS — REDUCTION. The appropriations made to the state board of regents for the fiscal year beginning July 1, 2020, and ending June 30, 2021, pursuant to section 1 of this Act, shall be collectively reduced by the following amount:

..... $ 8,000,000

The reduction set forth in this section shall be distributed among the appropriations made to the state board of regents for the fiscal year beginning July 1, 2020, and ending June 30, 2021, pursuant to section 1 of this Act as determined by the state board of regents.

Sec. 8. Section 261.20, subsection 2, Code 2020, is amended to read as follows:

2. The maximum balance of the scholarship and tuition grant reserve fund is an amount equal to ~~one~~ two percent of the funds appropriated to the scholarship and tuition grant programs under section 261.25 during the preceding fiscal year. The moneys in the fund shall be placed in separate accounts within the fund, according to the source and purpose of the original appropriation. Moneys in the various accounts shall only be used to alleviate a current fiscal year shortfall in appropriations for scholarship or tuition grant programs that have the same nature as the programs for which the moneys were originally appropriated. At the conclusion of a fiscal year, any surplus appropriations made to the commission for scholarship or tuition grant programs are appropriated to the scholarship and grant reserve fund in an amount equal to the

amount of the surplus or the amount necessary to achieve the maximum balance, whichever amount is less.

DIVISION V

JUDICIAL APPROPRIATIONS — FY 2020-2021

Sec. 9. JUDICIAL BRANCH.

1. There is appropriated from the general fund of the state to the judicial branch for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For salaries of supreme court justices, appellate court judges, district court judges, district associate judges, associate juvenile judges, associate probate judges, judicial magistrates and staff, state court administrator, clerk of the supreme court, district court administrators, clerks of the district court, juvenile court officers, board of law examiners, board of examiners of shorthand reporters, and commission on judicial qualifications; receipt and disbursement of child support payments; reimbursement of the auditor of state for expenses incurred in completing audits of the offices of the clerks of the district court during the fiscal year beginning July 1, 2020; and maintenance, equipment, and miscellaneous purposes:

..... $181,023,737

b. For deposit in the revolving fund created pursuant to section 602.1302, subsection 3, for jury and witness fees, mileage, costs related to summoning jurors, costs and fees for interpreters and translators, and reimbursement of attorney fees paid by the state public defender:

..... $ 3,100,000

2. The judicial branch, except for purposes of internal processing, shall use the current state budget system, the state payroll system, and the Iowa finance and accounting system in administration of programs and payments for services, and shall not duplicate the state payroll, accounting, and

1 budgeting systems.
2 3. The judicial branch shall submit monthly financial
3 statements to the legislative services agency and the
4 department of management containing all appropriated accounts
5 in the same manner as provided in the monthly financial status
6 reports and personal services usage reports of the department
7 of administrative services. The monthly financial statements
8 shall include a comparison of the dollars and percentage
9 spent of budgeted versus actual revenues and expenditures on
10 a cumulative basis for full-time equivalent positions and
11 dollars.
12 4. The judicial branch shall focus efforts on the collection
13 of delinquent fines, penalties, court costs, fees, surcharges,
14 or similar amounts.
15 5. It is the intent of the general assembly that the offices
16 of the clerks of the district court operate in all 99 counties
17 and be accessible to the public as much as is reasonably
18 possible in order to address the relative needs of the citizens
19 of each county. An office of the clerk of the district court
20 shall be open regular courthouse hours.
21 6. In addition to the requirements for transfers under
22 section 8.39, the judicial branch shall not change the
23 appropriations from the amounts appropriated to the judicial
24 branch in this Act, unless notice of the revisions is given to
25 the legislative services agency prior to the effective date.
26 The notice shall include information on the branch's rationale
27 for making the changes and details concerning the workload and
28 performance measures upon which the changes are based.
29 7. The judicial branch shall submit a semiannual update
30 to the legislative services agency specifying the amounts of
31 fines, surcharges, and court costs collected using the Iowa
32 court information system since the last report. The judicial
33 branch shall continue to facilitate the sharing of vital
34 sentencing and other information with other state departments
35 and governmental agencies involved in the criminal justice

1 system through the Iowa court information system.
2 8. The judicial branch shall provide a report to the general
3 assembly by January 1, 2021, concerning the amounts received
4 and expended from the enhanced court collections fund created
5 in section 602.1304 and the court technology and modernization
6 fund created in section 602.8108, subsection 9, during the
7 fiscal year beginning July 1, 2019, and ending June 30, 2020,
8 and the plans for expenditures from each fund during the fiscal
9 year beginning July 1, 2020, and ending June 30, 2021. A copy
10 of the report shall be provided to the legislative services
11 agency.
12 Sec. 10. CIVIL TRIALS — LOCATION. Notwithstanding any
13 provision to the contrary, for the fiscal year beginning July
14 1, 2020, and ending June 30, 2021, if all parties in a case
15 agree, a civil trial including a jury trial may take place in a
16 county contiguous to the county with proper jurisdiction, even
17 if the contiguous county is located in an adjacent judicial
18 district or judicial election district. If the trial is moved
19 pursuant to this section, court personnel shall treat the case
20 as if a change of venue occurred.
21 DIVISION VI
22 HEALTH AND HUMAN SERVICES APPROPRIATIONS — FY 2020-2021
23 Sec. 11. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK
24 GRANT. There is appropriated from the fund created in section
25 8.41 to the department of human services for the fiscal year
26 beginning July 1, 2020, and ending June 30, 2021, from moneys
27 received under the federal temporary assistance for needy
28 families (TANF) block grant pursuant to the federal Personal
29 Responsibility and Work Opportunity Reconciliation Act of 1996,
30 Pub. L. No. 104-193, and successor legislation, the following
31 amount, or so much thereof as is necessary, to be used for the
32 purposes designated:
33 To be credited to the family investment program account and
34 used for assistance under the family investment program under
35 chapter 239B:

1 ..... $ 5,002,006
2 Sec. 12. MEDICAL ASSISTANCE. There is appropriated from the
3 general fund of the state to the department of human services
4 for the fiscal year beginning July 1, 2020, and ending June 30,
5 2021, the following amount, or so much thereof as is necessary,
6 to be used for the purpose designated:
7 For medical assistance program reimbursement and associated
8 costs as specifically provided in the reimbursement
9 methodologies in effect on June 30, 2020, except as otherwise
10 expressly authorized by law, consistent with options under
11 federal law and regulations, and contingent upon receipt of
12 approval from the office of the governor of reimbursement for
13 each abortion performed under the program:
14 ..... $ 1,459,599,409
15 The prohibitions, limitations, transfers, authorizations,
16 requirements applicable to state and private entities, and
17 requirements applicable to the use of appropriated moneys,
18 including allocation amounts, set forth in 2019 Iowa Acts,
19 chapter 85, section 13, subsections 1 through 20, apply to
20 the moneys appropriated in this section for the fiscal year
21 beginning July 1, 2020, and ending June 30, 2021.
22 Sec. 13. STATE SUPPLEMENTARY ASSISTANCE.
23 1. There is appropriated from the general fund of the
24 state to the department of human services for the fiscal year
25 beginning July 1, 2020, and ending June 30, 2021, the following
26 amount, or so much thereof as is necessary, to be used for the
27 purpose designated:
28 For the state supplementary assistance program:
29 ..... $ 7,349,002
30 2. The department shall increase the personal needs
31 allowance for residents of residential care facilities by the
32 same percentage and at the same time as federal supplemental
33 security income and federal social security benefits are
34 increased due to a recognized increase in the cost of living.
35 The department may adopt emergency rules to implement this

1 subsection.
2 3. If during the fiscal year beginning July 1, 2020,
3 the department projects that state supplementary assistance
4 expenditures for a calendar year will not meet the federal
5 pass-through requirement specified in Tit. XVI of the federal
6 Social Security Act, section 1618, as codified in 42 U.S.C.
7 §1382g, the department may take actions including but not
8 limited to increasing the personal needs allowance for
9 residential care facility residents and making programmatic
10 adjustments or upward adjustments of the prescribed residential
11 care facility or in-home health-related care reimbursement
12 rates to ensure that federal requirements are met. In
13 addition, the department may make other programmatic and rate
14 adjustments necessary to remain within the amount appropriated
15 in this section while ensuring compliance with federal
16 requirements. The department may adopt emergency rules to
17 implement the provisions of this subsection.
18 4. Notwithstanding section 8.33, moneys appropriated
19 in this section that remain unencumbered or unobligated
20 at the close of the fiscal year shall not revert but
21 shall remain available for expenditure for the purposes
22 designated, including for liability amounts associated with the
23 supplemental nutrition assistance program payment error rate,
24 until the close of the succeeding fiscal year.
25 Sec. 14. CHILDREN´S HEALTH INSURANCE PROGRAM.
26 1. There is appropriated from the general fund of the
27 state to the department of human services for the fiscal year
28 beginning July 1, 2020, and ending June 30, 2021, the following
29 amount, or so much thereof as is necessary, to be used for the
30 purpose designated:
31 For maintenance of the healthy and well kids in Iowa (hawk-i)
32 program pursuant to chapter 514I, including supplemental dental
33 services, for receipt of federal financial participation under
34 Tit. XXI of the federal Social Security Act, which creates the
35 children´s health insurance program:

1 ..... $ 37,598,984
2 2. Of the funds appropriated in this section, $146,682 is
3 allocated for continuation of the contract for outreach with
4 the department of public health.
5 3. A portion of the funds appropriated in this section may
6 be transferred to the appropriations made for field operations
7 or medical contracts to be used for the integration of hawk-i
8 program eligibility, payment, and administrative functions
9 under the purview of the department of human services,
10 including for the Medicaid management information system
11 upgrade.
12 Sec. 15. STATE RESOURCE CENTERS.
13 1. There is appropriated from the general fund of the
14 state to the department of human services for the fiscal year
15 beginning July 1, 2020, and ending June 30, 2021, the following
16 amounts, or so much thereof as is necessary, to be used for the
17 purposes designated:
18 a. For the state resource center at Glenwood for salaries,
19 support, maintenance, and miscellaneous purposes:
20 ..... $ 16,700,867
21 b. For the state resource center at Woodward for salaries,
22 support, maintenance, and miscellaneous purposes:
23 ..... $ 10,913,360
24 2. The department may continue to bill for state resource
25 center services utilizing a scope of services approach used for
26 private providers of intermediate care facilities for persons
27 with an intellectual disability services, in a manner which
28 does not shift costs between the medical assistance program,
29 counties, or other sources of funding for the state resource
30 centers.
31 3. The state resource centers may expand the time-limited
32 assessment and respite services during the fiscal year.
33 4. If the department's administration and the department
34 of management concur with a finding by a state resource
35 center's superintendent that projected revenues can reasonably

be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center's superintendent may reclassify any vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual agreement, pool vacant positions and position classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

5. If existing capacity limitations are reached in operating units, a waiting list is in effect for a service or a special need for which a payment source or other funding is available for the service or to address the special need, and facilities for the service or to address the special need can be provided within the available payment source or other funding, the superintendent of a state resource center may authorize opening not more than two units or other facilities and begin implementing the service or addressing the special need during fiscal year 2020-2021.

6. Notwithstanding section 8.33, and notwithstanding the amount limitation specified in section 222.92, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 16. JUVENILE INSTITUTION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. a. For operation of the state training school at Eldora

and for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 16,029,488

..... FTEs 207.00

b. Of the funds appropriated in this subsection, $91,000 shall be used for distribution to licensed classroom teachers at this and other institutions under the control of the department of human services based upon the average student yearly enrollment at each institution as determined by the department.

2. A portion of the moneys appropriated in this section shall be used by the state training school at Eldora for grants for adolescent pregnancy prevention activities at the institution in the fiscal year beginning July 1, 2020.

3. Of the funds appropriated in this subsection, $212,000 shall be used by the state training school at Eldora for a substance use disorder treatment program at the institution for the fiscal year beginning July 1, 2020.

4. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 17. DEPARTMENT OF PUBLIC HEALTH — ADDICTIVE DISORDERS. There is appropriated from the general fund of the state to the department of public health for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For reducing the prevalence of the use of tobacco, alcohol, and other drugs, and treating individuals affected by addictive behaviors, including gambling, and for not more than the following full-time equivalent positions:

..... $ 23,659,379

1 ..... FTEs 12.00
2 2. a. Of the funds appropriated in this section, $4,021,000
3 shall be used for the tobacco use prevention and control
4 initiative, including efforts at the state and local levels,
5 as provided in chapter 142A. The commission on tobacco use
6 prevention and control established pursuant to section 142A.3
7 shall advise the director of public health in prioritizing
8 funding needs and the allocation of moneys appropriated for
9 the programs and initiatives. Activities of the programs
10 and initiatives shall be in alignment with the United States
11 centers for disease control and prevention best practices
12 for comprehensive tobacco control programs that include
13 the goals of preventing youth initiation of tobacco usage,
14 reducing exposure to secondhand smoke, and promotion of
15 tobacco cessation. To maximize resources, the department
16 shall determine if third-party sources are available to
17 instead provide nicotine replacement products to an applicant
18 prior to provision of such products to an applicant under
19 the initiative. The department shall track and report to
20 the individuals specified in this section, any reduction in
21 the provision of nicotine replacement products realized by
22 the initiative through implementation of the prerequisite
23 screening.
24 b. (1) The department shall collaborate with the
25 alcoholic beverages division of the department of commerce for
26 enforcement of tobacco laws, regulations, and ordinances and to
27 engage in tobacco control activities approved by the division
28 of tobacco use prevention and control of the department of
29 public health as specified in the memorandum of understanding
30 entered into between the divisions.
31 (2) For the fiscal year beginning July 1, 2020, and ending
32 June 30, 2021, the terms of the memorandum of understanding,
33 entered into between the division of tobacco use prevention
34 and control of the department of public health and the
35 alcoholic beverages division of the department of commerce,

1 governing compliance checks conducted to ensure licensed retail
2 tobacco outlet conformity with tobacco laws, regulations, and
3 ordinances relating to persons under 18 years of age, shall
4 continue to restrict the number of such checks to one check per
5 retail outlet, and one additional check for any retail outlet
6 found to be in violation during the first check.
7 3. a. Of the funds appropriated in this section,
8 $19,639,000 shall be used for problem gambling and
9 substance-related disorder prevention, treatment, and recovery
10 services, including a 24-hour helpline, public information
11 resources, professional training, youth prevention, and program
12 evaluation.
13 b. Of the amount allocated under this subsection, $306,000
14 shall be utilized by the department of public health, in
15 collaboration with the department of human services, to support
16 establishment and maintenance of a single statewide 24-hour
17 crisis hotline for the Iowa children's behavioral health system
18 that incorporates warmline services which may be provided
19 through expansion of existing capabilities maintained by the
20 department of public health as required pursuant to 2018 Iowa
21 Acts, chapter 1056, section 16.
22 4. The requirement of section 123.17, subsection 5, is met
23 by the appropriations and allocations made in this section
24 and section 1 of this Act for purposes of substance-related
25 disorder treatment and addictive disorders for the fiscal year
26 beginning July 1, 2020.
27 Sec. 18. DEPARTMENT OF PUBLIC HEALTH — SPORTS WAGERING
28 RECEIPTS FUND. There is appropriated from the sports wagering
29 receipts fund created in section 8.57, subsection 6, to the
30 department of public health for the fiscal year beginning July
31 1, 2020, and ending June 30, 2021, the following amount, or
32 so much thereof as is necessary, to be used for the purposes
33 designated:
34 For problem gambling and substance-related disorder
35 prevention, treatment, and recovery services, including a

24-hour helpline, public information resources, professional training, youth prevention, and program evaluation:
..... $ 1,450,000

The appropriation made in this section shall not supplant the appropriation made to the department of public health from the sports wagering receipts fund pursuant to section 1 of this Act, based on the appropriation made in 2019 Iowa Acts, chapter 133.

DIVISION VII

HEALTH AND HUMAN SERVICES — PRIOR APPROPRIATIONS AND OTHER PROVISIONS

RURAL PSYCHIATRIC RESIDENCIES

Sec. 19. 2019 Iowa Acts, chapter 85, section 3, subsection 4, paragraph j, is amended to read as follows:

j. Of the funds appropriated in this subsection, $400,000 shall be used for rural psychiatric residencies to support the annual creation and training of four psychiatric residents who will provide mental health services in underserved areas of the state. Notwithstanding section 8.33, moneys that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated for subsequent fiscal years.

FAMILY INVESTMENT PROGRAM ACCOUNT

Sec. 20. 2019 Iowa Acts, chapter 85, section 9, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated, and may be transferred to the appropriations made in this division of this Act for general administration and field operations for technology needs including the eligibility integrated applications solutions (ELIAS) project, until the close of the succeeding fiscal year.

STATE SUPPLEMENTARY ASSISTANCE

1 Sec. 21. 2019 Iowa Acts, chapter 85, section 15, subsection
2 4, is amended to read as follows:
3 4. Notwithstanding section 8.33, moneys appropriated
4 in this section that remain unencumbered or unobligated
5 at the close of the fiscal year shall not revert but
6 shall remain available for expenditure for the purposes
7 designated, including for liability amounts associated with the
8 supplemental nutrition assistance program payment error rate,
9 until the close of the succeeding fiscal year.
10 CHILD AND FAMILY SERVICES
11 Sec. 22. 2019 Iowa Acts, chapter 85, section 19, subsection
12 18, is amended to read as follows:
13 18. Of the funds appropriated in this section, at least
14 $147,000 shall be used for the continuation of the child
15 welfare provider training academy, a collaboration between the
16 coalition for family and children's services in Iowa and the
17 department. Notwithstanding section 8.33, moneys allocated
18 under this subsection that remain unencumbered or unobligated
19 at the close of the fiscal year shall not revert but shall
20 remain available for expenditure for the purposes designated
21 until the close of the succeeding fiscal year.
22 Sec. 23. 2019 Iowa Acts, chapter 85, section 19, is amended
23 by adding the following new subsection:
24 NEW SUBSECTION. 24. Notwithstanding section 8.33, moneys
25 appropriated in this section that remain unencumbered or
26 unobligated at the close of the fiscal year shall not revert
27 but shall remain available for expenditure for the purposes
28 designated, and including services implemented to meet the
29 requirements of the federal Family First Prevention Services
30 Act, until the close of the succeeding fiscal year.
31 MENTAL HEALTH INSTITUTES
32 Sec. 24. 2019 Iowa Acts, chapter 85, section 24, subsection
33 2, is amended to read as follows:
34 2. a. Notwithstanding sections 218.78 and 249A.11, any
35 revenue received from the state mental health institute at

1 Cherokee or the state mental health institute at Independence
2 pursuant to 42 C.F.R §438.6(e) may be retained and expended by
3 the mental health institute.
4 b. Notwithstanding sections 218.78 and 249A.11, any
5 COVID-19 related funding received through federal funding
6 sources by the state mental health institute at Cherokee or the
7 state mental health institute at Independence may be retained
8 and expended by the mental health institute.
9 FIELD OPERATIONS
10 Sec. 25. 2019 Iowa Acts, chapter 85, section 27, is amended
11 by adding the following new subsection:
12 NEW SUBSECTION. 4. Notwithstanding section 8.33, moneys
13 appropriated in this section that remain unencumbered or
14 unobligated at the close of the fiscal year shall not revert
15 but shall remain available for expenditure for the purposes
16 designated until the close of the succeeding fiscal year.
17 GENERAL ADMINISTRATION
18 Sec. 26. 2019 Iowa Acts, chapter 85, section 28, is amended
19 by adding the following new subsection:
20 NEW SUBSECTION. 7. Notwithstanding section 8.33, moneys
21 appropriated in this section that remain unencumbered or
22 unobligated at the close of the fiscal year shall not revert
23 but shall remain available for expenditure for the purposes
24 designated until the close of the succeeding fiscal year.
25 DECATEGORIZATION FY 2018 CARRYOVER FUNDING
26 Sec. 27. DECATEGORIZATION CARRYOVER FUNDING FY 2018 —
27 TRANSFER TO MEDICAID PROGRAM. Notwithstanding section 232.188,
28 subsection 5, paragraph "b", any state-appropriated moneys in
29 the funding pool that remained unencumbered or unobligated
30 at the close of the fiscal year beginning July 1, 2017, and
31 were deemed carryover funding to remain available for the two
32 succeeding fiscal years that still remain unencumbered or
33 unobligated at the close of the fiscal year beginning July 1,
34 2019, shall not revert but shall be transferred to the medical
35 assistance program for the fiscal year beginning July 1, 2020.

1 Sec. 28. PROVISIONS NOT APPLICABLE TO FY 2020-2021. All
2 of the following amendments to 2019 Iowa Acts, chapter 85, are
3 not applicable to the associated appropriations made for the
4 fiscal year beginning July 1, 2020, and ending June 30, 2021,
5 notwithstanding section 1 of this Act:
6 1. 2019 Iowa Acts, chapter 85, section 9, as amended in this
7 division of this Act.
8 2. 2019 Iowa Acts, chapter 85, section 19, subsection 18, as
9 amended in this division of this Act.
10 3. 2019 Iowa Acts, chapter 85, section 19, subsection 24, if
11 enacted by this division of this Act.
12 4. 2019 Iowa Acts, chapter 85, section 27, as amended in
13 this division of this Act.
14 5. 2019 Iowa Acts, chapter 85, section 28, as amended in
15 this division of this Act.
16 Sec. 29. PROVISIONS APPLICABLE TO FY 2020-2021. All of
17 the following amendments to 2019 Iowa Acts, chapter 85, are
18 applicable to the associated appropriations made for the fiscal
19 year beginning July 1, 2020, and ending June 30, 2021, pursuant
20 to section 1 of this Act:
21 1. 2019 Iowa Acts, chapter 85, section 3, subsection 4,
22 paragraph "j".
23 2. 2019 Iowa Acts, chapter 85, section 15, subsection 4.
24 3. 2019 Iowa Acts, chapter 85, section 24, subsection 2, as
25 amended in this division of this Act.
26 Sec. 30. EFFECTIVE DATE. This division of this Act, being
27 deemed of immediate importance, takes effect upon enactment.
28 Sec. 31. RETROACTIVE APPLICABILITY. This division of this
29 Act applies retroactively to July 1, 2019.
30 DIVISION VIII
31 HEALTH AND HUMAN SERVICES — FY 2019-2020 PROVISIONS NOT
32 APPLICABLE FOR FY 2020-2021
33 Sec. 32. HEALTH AND HUMAN SERVICES PROVISIONS NOT
34 APPLICABLE TO FY 2020-2021. The following provisions of 2019
35 Iowa Acts, chapter 85, are not applicable to the associated

1 appropriations made for the fiscal year beginning July 1, 2020,
2 and ending June 30, 2021, notwithstanding section 1 of this
3 Act:
4 1. 2019 Iowa Acts, chapter 85, section 3, subsection 2,
5 paragraph "a".
6 2. 2019 Iowa Acts, chapter 85, section 3, subsection 7,
7 paragraph "b".
8 3. 2019 Iowa Acts, chapter 85, section 3, subsection 9,
9 paragraph "b".
10 4. 2019 Iowa Acts, chapter 85, section 4, subsection 1.
11 5. 2019 Iowa Acts, chapter 85, section 9, subsection 4.
12 6. 2019 Iowa Acts, chapter 85, section 13, subsections 21,
13 22, 23, and 24.
14 7. 2019 Iowa Acts, chapter 85, section 18, subsection 1,
15 paragraph "c".
16 8. 2019 Iowa Acts, chapter 85, section 22, subsection 2.
17 9. 2019 Iowa Acts, chapter 85, section 24, subsection 1,
18 paragraph "a", subparagraph (2).
19 10. 2019 Iowa Acts, chapter 85, section 24, subsection 1,
20 paragraph "b", subparagraph (2).
21 11. 2019 Iowa Acts, chapter 85, section 26, subsection 1,
22 paragraph "b".
23 12. 2019 Iowa Acts, chapter 85, section 27, subsection 2.
24 13. 2019 Iowa Acts, chapter 85, section 32, subsection 1.
25 14. 2019 Iowa Acts, chapter 85, section 33.
26 15. 2019 Iowa Acts, chapter 85, divisions VII, VIII, XI,
27 XII, XIV, XVI, XIX, and XXVII.
28 DIVISION IX
29 HEALTH AND HUMAN SERVICES — NEW PROVISIONS APPLICABLE FOR FY
30 2020-2021
31 STATE MEDICAL EXAMINER
32 Sec. 33. STATE MEDICAL EXAMINER — USE OF MONEYS. For
33 the fiscal year beginning July 1, 2020, and ending June 30,
34 2021, a portion of the moneys appropriated from the general
35 fund of the state to the department of public health for

1 public protection shall be used to support the office of the
2 state medical examiner and to address the growth in demand
3 for services. The office of the state medical examiner shall
4 enter into a memorandum of understanding with the university
5 of Iowa hospitals and clinics to coordinate the completion of
6 forensic autopsies to address increased caseloads and prolonged
7 backlogs, and to promote regional efficiencies.

8 HOPES — HFI

9 Sec. 34. HEALTHY OPPORTUNITIES FOR PARENTS TO EXPERIENCE
10 SUCCESS (HOPES) — HEALTHY FAMILIES IOWA (HFI) PROGRAM. For
11 the fiscal year beginning July 1, 2020, and ending June 30,
12 2021, of the funds appropriated from the general fund of the
13 state to the department of public health for healthy children
14 and families, not more than $734,000 shall be used for the
15 healthy opportunities for parents to experience success (HOPES)
16 — healthy families Iowa (HFI) program established pursuant to
17 section 135.106.

18 SEXUAL VIOLENCE PREVENTION PROGRAMMING

19 Sec. 35. SEXUAL VIOLENCE PREVENTION PROGRAMMING. For
20 the fiscal year beginning July 1, 2020, and ending June
21 30, 2021, of the moneys appropriated from the general fund
22 of the state to the department of public health for public
23 protection, up to $243,000 shall be used for sexual violence
24 prevention programming through a statewide organization
25 representing programs serving victims of sexual violence
26 through the department's sexual violence prevention program,
27 and for continuation of a training program for sexual assault
28 response team (SART) members, including representatives of
29 law enforcement, victim advocates, prosecutors, and certified
30 medical personnel. The amount allocated in this section shall
31 not be used to supplant funding administered for other sexual
32 violence prevention or victims assistance programs.

33 TAX PREPARATION ASSISTANCE

34 Sec. 36. DEPARTMENT OF HUMAN SERVICES — TAX PREPARATION
35 ASSISTANCE. For the fiscal year beginning July 1, 2020, and

ending June 30, 2021, of the moneys appropriated from the general fund of the state to the department of human services to be credited to the family investment program account and used for family investment assistance under chapter 239B, $195,000 shall be used for a contract executed in accordance with 2019 Iowa Acts, chapter 85, section 9, subsection 4, with an Iowa-based nonprofit organization with a history of providing tax preparation assistance to low-income Iowans in order to expand the usage of the earned income tax credit. The purpose of the contract is to supply this assistance to underserved areas of the state.

HEALTH PROGRAM OPERATIONS

Sec. 37. HEALTH PROGRAM OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amount or so much thereof as is necessary, to be used for the purposes designated:

For health program operations:

..... $ 17,831,343

1. The department of inspections and appeals shall provide all state matching moneys for survey and certification activities performed by the department of inspections and appeals. The department of human services is solely responsible for distributing the federal matching moneys for such activities.

2. Of the moneys appropriated in this section, $50,000 shall be used for continuation of home and community-based services waiver quality assurance programs, including the review and streamlining of processes and policies related to oversight and quality management to meet state and federal requirements.

3. Of the amount appropriated in this section, up to $200,000 may be transferred to the appropriation for general administration to be used for additional full-time equivalent positions in the development of key health initiatives such as development and oversight of managed care programs and

1 development of health strategies targeted toward improved
2 quality and reduced costs in the Medicaid program.
3 4. Of the moneys appropriated in this section, $1,000,000
4 shall be used for planning and development, in cooperation with
5 the department of public health, of a phased-in program to
6 provide a dental home for children.
7 5. a. Of the moneys appropriated in this section, $573,000
8 shall be credited to the autism support program fund created
9 in section 225D.2 to be used for the autism support program
10 created in chapter 225D, with the exception of the following
11 amount of this allocation which shall be used as follows:
12 b. Of the moneys allocated in this subsection, $25,000 shall
13 be used for the public purpose of continuation of a grant to a
14 nonprofit provider of child welfare services that has been in
15 existence for more than 115 years, is located in a county with
16 a population between 200,000 and 220,000 according to the most
17 recent federal decennial census, is licensed as a psychiatric
18 medical institution for children, and provides school-based
19 programming, to be used for support services for children with
20 autism spectrum disorder and their families.
21 Sec. 38. REFERENCES TO MEDICAL CONTRACTS — REPLACED. For
22 the fiscal year beginning July 1, 2020, and ending June 30,
23 2021, all references in 2019 Iowa Acts, chapter 85, division V,
24 to "medical contracts" shall be replaced with the term "health
25 program operations" and all transfers of funds made to or from
26 the appropriation for medical contracts shall instead be made
27 to or from the appropriation for health program operations.
28 CHILD AND FAMILY SERVICES
29 Sec. 39. CHILD AND FAMILY SERVICES — GROUP FOSTER
30 CARE. For the fiscal year beginning July 1, 2020, and ending
31 June 30, 2021, of the funds appropriated from the general fund
32 of the state to the department of human services for child and
33 family services, $26,025,000 is allocated as the statewide
34 expenditure target under section 232.143 for group foster care
35 maintenance and services. If the department projects that such

1 expenditures for the fiscal year will be less than the target
2 amount allocated in this paragraph "a", the department may
3 reallocate the excess to provide additional funding for family
4 foster care, independent living, family-centered services,
5 shelter care, or the child welfare emergency services addressed
6 with the allocation for shelter care.

7 FAMILY SUPPORT SUBSIDY PROGRAM

8 Sec. 40. FAMILY SUPPORT SUBSIDY PROGRAM. For the fiscal
9 year beginning July 1, 2020, and ending June 30, 2021, of the
10 moneys appropriated from the general fund of the state to the
11 department of human services for the family support subsidy
12 program, at least $875,195 is transferred to the department
13 of public health for the family support center component of
14 the comprehensive family support program under chapter 225C,
15 subchapter V.

16 DEPARTMENT OF HUMAN SERVICES PROVIDER REIMBURSEMENTS

17 Sec. 41. PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN
18 SERVICES.

19 1. For the fiscal year beginning July 1, 2020, and
20 ending June 30, 2021, the following reimbursement rates and
21 methodologies shall apply:

22 a. (1) For the fiscal year beginning July 1, 2020,
23 case-mix, non-case-mix, and special population nursing
24 facilities shall be reimbursed in accordance with the
25 methodology in effect on June 30, 2020.

26 (2) For managed care claims, the department of human
27 services shall adjust the payment rate floor for nursing
28 facilities, annually, to maintain a rate floor that is no
29 lower than the Medicaid fee-for-service case-mix adjusted
30 rate calculated in accordance with subparagraph (1) and
31 441 IAC 81.6. The department shall then calculate adjusted
32 reimbursement rates, including but not limited to add-on
33 payments, annually, and shall notify Medicaid managed care
34 organizations of the adjusted reimbursement rates within 30
35 days of determining the adjusted reimbursement rates. Any

1 adjustment of reimbursement rates under this subparagraph shall
2 be budget neutral to the state budget.
3 (3) Medicaid managed care organizations shall adjust
4 facility-specific rates based upon payment rate listings issued
5 by the department. The rate adjustments shall be applied
6 prospectively from the effective date of the rate letter issued
7 by the department.
8 b. For the fiscal year beginning July 1, 2020, reimbursement
9 rates for outpatient hospital services shall be rebased
10 effective January 1, 2021, subject to Medicaid program upper
11 payment limit rules, and adjusted as necessary to maintain
12 expenditures within the amount appropriated to the department
13 for this purpose for the fiscal year.
14 c. For the fiscal year beginning July 1, 2020, under
15 both fee-for-service and managed care administration of
16 the Medicaid program, critical access hospitals shall be
17 reimbursed for inpatient and outpatient services based on the
18 hospital-specific critical access hospital cost adjustment
19 factor methodology utilizing the most recent and complete cost
20 reporting period as applied prospectively within the funds
21 appropriated for such purpose for the fiscal year.
22 d. For the fiscal year beginning July 1, 2020, assertive
23 community treatment per diem rates shall remain at the rates in
24 effect on June 30, 2020.
25 e. Notwithstanding section 234.38, for the fiscal
26 year beginning July 1, 2020, the foster family basic daily
27 maintenance rate and the maximum adoption subsidy rate for
28 children ages 0 through 5 years shall be $16.78, the rate for
29 children ages 6 through 11 years shall be $17.45, the rate for
30 children ages 12 through 15 years shall be $19.10, and the
31 rate for children and young adults ages 16 and older shall be
32 $19.35. For youth ages 18 up to 23 who have exited foster
33 care, the preparation for adult living program maintenance rate
34 shall be $602.70 per month. The maximum payment for adoption
35 subsidy nonrecurring expenses shall be limited to $500 and the

1 disallowance of additional amounts for court costs and other
2 related legal expenses implemented pursuant to 2010 Iowa Acts,
3 chapter 1031, section 408, shall be continued.
4 f. For the fiscal year beginning July 1, 2020, the
5 reimbursement rate for family-centered services providers shall
6 be established by contract.
7 2. With the exception of the providers and services
8 specified in subsection 1, all other provider and service
9 reimbursement rates and methodologies specified in 2019 Iowa
10 Acts, chapter 85, section 31, shall continue to be applicable
11 for the fiscal year beginning July 1, 2020, and ending June 30,
12 2021.
13 EMERGENCY RULES
14 Sec. 42. EMERGENCY RULES.
15 1. If necessary to comply with federal requirements
16 including time frames, or if specifically authorized by a
17 provision of this division of this Act, the department of
18 human services or the mental health and disability services
19 commission may adopt administrative rules under section 17A.4,
20 subsection 3, and section 17A.5, subsection 2, paragraph "b",
21 to implement the provisions of this division of this Act and
22 the rules shall become effective immediately upon filing or
23 on a later effective date specified in the rules, unless the
24 effective date of the rules is delayed or the applicability
25 of the rules is suspended by the administrative rules review
26 committee. Any rules adopted in accordance with this section
27 shall not take effect before the rules are reviewed by the
28 administrative rules review committee. The delay authority
29 provided to the administrative rules review committee under
30 section 17A.4, subsection 7, and section 17A.8, subsection 9,
31 shall be applicable to a delay imposed under this section,
32 notwithstanding a provision in those sections making them
33 inapplicable to section 17A.5, subsection 2, paragraph "b".
34 Any rules adopted in accordance with the provisions of this
35 section shall also be published as a notice of intended action

as provided in section 17A.4.

2. If during a fiscal year, the department of human services is adopting rules in accordance with this section or as otherwise directed or authorized by state law, and the rules will result in an expenditure increase beyond the amount anticipated in the budget process or if the expenditure was not addressed in the budget process for the fiscal year, the department shall notify the persons designated by this division of this Act for submission of reports, the chairpersons and ranking members of the committees on appropriations, and the department of management concerning the rules and the expenditure increase. The notification shall be provided at least 30 calendar days prior to the date notice of the rules is submitted to the administrative rules coordinator and the administrative code editor.

REPORT ON NONREVERSION OF FUNDS

Sec. 43. REPORT ON NONREVERSION OF FUNDS. The department of human services shall report the expenditure of any moneys for which nonreversion authorization was provided for the fiscal year beginning July 1, 2019, and ending June 30, 2020, for the family investment program account, state supplementary assistance, child and family services, the mental health institutes, field operations, or general administration to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the four legislative caucus staffs on a quarterly basis beginning October 1, 2020.

CHILD AND FAMILY SERVICES

Sec. 44. CHILD AND FAMILY SERVICES APPROPRIATION. For the fiscal year beginning July 1, 2020, and ending June 30, 2021, a portion of the funds appropriated from the general fund of the state to the department of human services for child and family services may be used for family-centered services for purposes of complying with the federal Family First Prevention Services Act of 2018, Pub. L. No. 115-123, and successor legislation.

DIVISION X

PUBLIC HEALTH EMERGENCY PROVISIONS

COVID-19 REGULATIONS

Sec. 45. COVID-19 FEDERAL REGULATIONS. For the time period beginning on the effective date of this division of this Act, and ending June 30, 2021, notwithstanding state administrative rules to the contrary, to the extent federal regulations relating to the COVID-19 pandemic differ from state administrative rules, including applicable federal waivers, the federal regulations are controlling during the pendency of the federally declared state of emergency.

COUNTY HOSPITAL FUNDING

Sec. 46. COUNTY HOSPITAL FUNDING — SUSTAINING OF HOSPITAL OPERATIONS. For the time period beginning on the effective date of this division of this Act, and ending June 30, 2021, notwithstanding any provision of section 347.14, subsection 4, to the contrary, a board of trustees of a county hospital may borrow moneys secured solely by hospital revenues for the purpose of providing working capital or for general financing needs to sustain hospital operations.

Sec. 47. COUNTY HOSPITAL FUNDING — NONCURRENT DEBT ISSUANCE. For the time period beginning on the effective date of this division of this Act, and ending June 30, 2021, notwithstanding any provision of section 331.478, subsections 2 and 3, to the contrary, a board of trustees of a county hospital may authorize noncurrent debt for the purpose of providing working capital or for general financing needs to sustain a county hospital's operations including in the form of natural disaster loans from the state or federal government.

Sec. 48. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XI

MENTAL HEALTH AND DISABILITY SERVICES

Sec. 49. Section 331.389, subsection 4, paragraph c, Code 2020, is amended to read as follows:

c. The department shall work with any county that has not agreed to be part of a region in accordance with paragraph *"a"* and with the regions forming around the county to resolve issues preventing the county from joining a region. In addition to the regional governance agreement requirements in section 331.392, the department may compel the county and region to engage in mediation for resolution of a dispute. The costs incurred for mediation shall be paid by the county and the region in dispute according to their governance agreement. A county that has not agreed to be part of a region in accordance with paragraph *"a"* shall be assigned by the department to a region, unless exempted prior to July 1, 2014. A county assigned by the department to a region shall be included in that region's amended governance agreement pursuant to this section as of an effective date designated by the department. The assigned county and region shall operate according to the region's existing governance agreement until the regional governance agreement is amended.

Sec. 50. Section 331.389, subsection 5, Code 2020, is amended to read as follows:

5. *a.* If the department determines that a region or an exempted county is not adequately fulfilling the requirements under this chapter for a regional service system, the department shall address the region or county in the following order:

~~*a.*~~ (1) Require compliance with a corrective action plan.

~~*b.*~~ (2) Reduce the amount of the annual state funding provided for the regional service system, not to exceed fifteen percent of the amount.

~~*c.*~~ (3) Withdraw approval for the region or for the county exemption, as applicable.

b. The department shall rely on all information available, including annual audits submitted under section 331.391, regional governance agreements submitted under section 331.392, and annual service and budget plans submitted under section

1 331.393 in determining whether a region or an exempted county
2 is adequately fulfilling the requirements for a regional
3 service system. The department may request and review
4 financial documents, contracts, and other audits, and may
5 perform on-site reviews and interviews to gather information.
6 Sec. 51. Section 331.392, subsection 4, Code 2020, is
7 amended to read as follows:
8 4. The financial provisions of the agreement shall include
9 all of the following:
10 *a.* Methods for pooling, management, and expenditure of the
11 funding under the control of the regional administrator. If
12 the agreement does not provide for pooling of the participating
13 county moneys in a single fund, the agreement shall specify how
14 the participating county moneys will be subject to the control
15 of the regional administrator.
16 *b.* (1) Methods for allocating administrative funding and
17 resources.
18 (2) Methods for allocating a region's cash flow amount in
19 the event a county leaves the region. A region's cash flow
20 amount shall be divided by the percentage of each county's
21 population according to the region's population indicated
22 in the region's annual service and budget plan and shall be
23 allocated to the counties. This subparagraph shall apply to
24 all agreements in existence or entered into on or after July
25 1, 2020.
26 *c.* Contributions and uses of initial funding or related
27 contributions made by the counties participating in the
28 region for purposes of commencing operations by the regional
29 administrator.
30 *d.* Methods for acquiring or disposing of real property.
31 *e.* A process for determining the use of savings for
32 reinvestment.
33 *f.* A process for performance of an annual independent audit
34 of the regional administrator. The annual independent audit
35 prepared by the regional administrator shall be submitted to

1 the department upon completion of the audit.
2 Sec. 52. Section 331.392, Code 2020, is amended by adding
3 the following new subsection:
4 NEW SUBSECTION. 6. All agreements shall be submitted to the
5 department. The department shall approve the agreement if the
6 agreement complies with the requirements of this section.
7 Sec. 53. MENTAL HEALTH AND DISABILITY SERVICES ——
8 REGIONALIZATION AUTHORIZATION.
9 1. The department of human services shall facilitate the
10 county social services mental health and disability services
11 region dividing into two separate regions. All member
12 counties shall participate in the planning as required by the
13 department. Counties in the western portion of the region may
14 form a new region if the counties meet the requirements of
15 this section. Counties in the eastern portion of the region
16 shall retain the name county social services if a new region is
17 formed by the counties in the western portion of the region.
18 2. County formation of a proposed new mental health and
19 disability services region pursuant to this section is subject
20 to all of the following:
21 a. The aggregate population of all counties forming
22 the region is at least 50,000 and includes at least one
23 incorporated city with a population of more than 24,000. For
24 purposes of this subparagraph, "population" means the same as
25 defined in section 331.388, subsection 4, Code 2020.
26 b. Notwithstanding section 331.389, subsection 4, on or
27 before February 1, 2021, the counties forming the region have
28 complied with section 331.389, subsection 3, and all of the
29 following additional requirements:
30 (1) The board of supervisors of each county forming the
31 region has voted to approve a chapter 28E agreement.
32 (2) The duly authorized representatives of all the counties
33 forming the region have signed a chapter 28E agreement that is
34 in compliance with section 331.392 and 441 IAC 25.14.
35 (3) The county board of supervisors' or supervisors'

1 designee members and other members of the region's governing
2 board are appointed in accordance with section 331.390.
3 (4) Executive staff for the region's regional administrator
4 are identified or engaged.
5 (5) The regional service management plan is developed in
6 accordance with section 331.393 and 441 IAC 25.18 and 441 IAC
7 25.21 and is submitted to the department.
8 (6) The initial regional service management plan shall
9 identify the service provider network for the region, identify
10 the information technology and data management capacity to be
11 employed to support regional functions, and establish business
12 functions, accounting procedures, and other administrative
13 processes.
14 c. Each county forming the region shall submit the
15 compliance information required in paragraph "b" to the
16 director of human services on or before February 1, 2021.
17 Within forty-five days of receipt of such information, the
18 director of human services shall determine if the region is in
19 full compliance and shall approve the region if the region has
20 met all of the requirements of this section.
21 d. The director of human services shall work with a county
22 making a request under this section that has not agreed or
23 is unable to join the proposed new region to resolve issues
24 preventing the county from joining the proposed new region.
25 e. By February 1, 2021, the director of human services
26 shall assign a county, making a request under this section
27 that has not reached an agreement to be part of the proposed
28 new region, to an existing region or to another new proposed
29 region, consistent with this section.
30 3. If approved by the department, the region shall commence
31 full operations no later than July 1, 2021.
32 Sec. 54. MENTAL HEALTH AND DISABILITY SERVICES — TRANSFER
33 OF FUNDS. Notwithstanding section 331.432, a county with a
34 population of over 300,000 based on the most recent federal
35 decennial census may transfer funds from any other fund

1 of the county to the mental health and disability regional
2 services fund for the purposes of providing mental health and
3 disability services for the fiscal year beginning July 1,
4 2020, and ending June 30, 2021. The county shall submit a
5 report to the governor and the general assembly by September
6 1, 2021, including the source of any funds transferred, the
7 amount of the funds transferred, and the mental health and
8 disability services provided with the transferred funds. The
9 county shall work with the department to maximize the use of
10 the medical assistance program and other third-party payment
11 sources, including but not limited to identifying individuals
12 enrolled with or eligible for Medicaid whose Medicaid-covered
13 services are being paid by the county or could be converted to
14 Medicaid-covered services.
15 Sec. 55. MENTAL HEALTH AND DISABILITY SERVICES REGIONS —
16 FUNDING.
17 1. There is appropriated from the grow Iowa values fund
18 created in section 15G.108, Code 2009, to the department of
19 human services for the fiscal year beginning July 1, 2020, and
20 ending June 30, 2021, the following amount, or so much thereof
21 as is necessary, to be used for the purpose designated:
22 For a grant to a single-county mental health and disability
23 services region with a population of over 350,000 as determined
24 by the latest federal decennial census, for the provision of
25 mental health and disability services within the region:
26 ..... $ 5,000,000
27 The department and the region shall enter into a memorandum
28 of understanding regarding the use of the moneys and detailing
29 the provisions of the plan prior to the region's receipt of
30 moneys under this subsection.
31 2. The department shall distribute moneys appropriated
32 in this section within 60 days of the date of signing of the
33 memorandum of understanding between the department and each
34 region.
35 3. Moneys awarded under this section shall be used by the

regions consistent with each region's service system management plan as approved by the department.

DIVISION XII

FOSTER HOME INSURANCE FUND

Sec. 56. Section 237.13, Code 2020, is amended by striking the section and inserting in lieu thereof the following:

237.13 Foster home insurance fund.

1. For the purposes of this section, *"foster home"* means an individual, as defined in section 237.1, subsection 7, who is licensed to provide child foster care and shall also be known as a *"licensed foster home"*.

2. The foster home insurance fund shall be administered by the department of human services. The fund shall consist of all moneys appropriated by the general assembly for deposit in the fund. The department shall use moneys in the fund to reimburse foster parents for the cost of purchasing foster care liability insurance and to perform the administrative functions necessary to carry out this section.

3. The department of human services shall adopt rules, pursuant to chapter 17A, to carry out the provisions of this section.

DIVISION XIII

VETERANS HOME CARRYFORWARD

Sec. 57. Section 35D.18, subsection 5, Code 2020, is amended to read as follows:

5. Notwithstanding section 8.33, ~~any~~ up to eight hundred thousand dollars of the balance in the Iowa veterans home annual appropriation or revenues that remains unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for specified purposes of the Iowa veterans home until the close of the succeeding fiscal year.

DIVISION XIV

PROPERTY TAX CREDITS

Sec. 58. PROPERTY TAX CREDITS.

1 1. In lieu of the standing appropriations in the following
2 designated sections, for the fiscal year beginning July 1,
3 2020, and ending June 30, 2021, there is appropriated from
4 the general fund of the state the following amounts for the
5 following designated purposes:
6 a. For reimbursement for the homestead property tax credit
7 under section 425.1:
8 ..... $139,984,518
9 b. For implementing the elderly and disabled tax credit and
10 reimbursement pursuant to sections 425.16 through 425.40:
11 ..... $ 20,500,000
12 2. If the director of revenue determines that the amount of
13 claims for credit for property taxes due pursuant to paragraphs
14 "a" and "b", plus the amount of claims for reimbursement for
15 rent constituting property taxes paid which are to be paid
16 during a fiscal year may exceed the total amount appropriated
17 for that fiscal year, the director shall estimate the
18 percentage of the credits and reimbursements which will be
19 funded by the appropriation. The county treasurer shall notify
20 the director of the amount of property tax credits claimed by
21 June 26, 2020. The director shall estimate the percentage of
22 the property tax credits and rent reimbursement claims that
23 will be funded by the appropriation and notify the county
24 treasurer of the percentage estimate by June 30, 2020. The
25 estimated percentage shall be used in computing for each claim
26 the amount of property tax credit and reimbursement for rent
27 constituting property taxes paid for that fiscal year. If
28 the director overestimates the percentage of funding, claims
29 for reimbursement for rent constituting property taxes paid
30 shall be paid until they can no longer be paid at the estimated
31 percentage of funding. Rent reimbursement claims filed after
32 that point in time shall receive priority and shall be paid in
33 the following fiscal year.
34 Sec. 59. TAXPAYER RELIEF FUND — APPROPRIATION. There
35 is appropriated from the taxpayer relief fund created in

section 8.57E to the department of revenue for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For reimbursement for the homestead property tax credit under section 425.1:

..... $ 2,799,690

2. For implementing the elderly and disabled tax credit and reimbursement pursuant to sections 425.16 through 425.40:

..... $ 2,460,000

Sec. 60. RETROACTIVE APPLICABILITY. This division of this Act, if approved by the governor after June 26, 2020, applies retroactively to June 26, 2020.

DIVISION XV

CORRECTIVE PROVISIONS

Sec. 61. Section 100B.41, as enacted by 2020 Iowa Acts, Senate File 2259, section 1, is amended to read as follows:

100B.41 Donation of fire fighting, emergency medical response, and law enforcement equipment.

A fire department, emergency medical services provider, or law enforcement agency may donate used vehicles or equipment to an organization that provides fire response or emergency medical services, or to a law enforcement agency. An entity making a good faith donation of equipment pursuant to this ~~subsection~~ section shall be immune from civil liability from any claim arising from the performance, failure to perform, nature, age, condition, or packaging of any vehicle or equipment used in fire fighting, emergency medical response, or law enforcement.

Sec. 62. Section 124E.9, subsection 15, if enacted by 2020 Iowa Acts, House File 2589, section 20, is amended to read as follows:

15. A medical cannabidiol dispensary may dispense more than a combined total of four and one-half grams of total tetrahydrocannabinol to a patient and the patient's primary

caregiver in a ninety-day period if any of the following apply:

a. The health care practitioner who certified the patient to receive a medical cannabidiol registration card certifies that patient's debilitating medical condition is a terminal illness with a life expectancy of less than one year. A certification issued pursuant to this paragraph shall include a total tetrahydrocannabinol cap deemed appropriate by the patient's health care practitioner.

b. The health care practitioner who certified the patient to receive a medical cannabidiol registration card certifies that the patient has participated in the medical cannabidiol program and that the health care practitioner has determined that four and one-half grams of total tetrahydrocannabinol in a ninety-day period is insufficient to treat the patient's debilitating medical condition. A certification issued pursuant to this paragraph shall include a total tetrahydrocannabinol cap deemed appropriate by the patient's health care practitioner.

Sec. 63. Section 218.70, Code 2020, as amended by 2020 Iowa Acts, House File 2536, section 78, if enacted, is amended to read as follows:

218.70 Payment to party entitled.

Moneys transmitted to the treasurer ~~or~~ of state under section 218.68 shall be paid, at any time within ten years from the death of the intestate, to any person who is shown to be entitled thereto. Payment shall be made from the state treasury out of the support fund of such institution in the manner provided for the payment of other claims from that fund.

Sec. 64. Section 260C.48, subsection 1, paragraph a, subparagraph (2), Code 2020, as enacted by 2020 Iowa Acts, House File 2454, section 1, is amended to read as follows:

(2) For purposes of subparagraph (1), subparagraph divisions (b) and (c), if the instructor is a licensed practitioner who holds a career and technical endorsement under chapter 272, relevant work experience in the occupational area

includes but is not limited to classroom instruction in a career and technical education subject area offered by a school district or accredited nonpublic school.

Sec. 65. Section 321.279, subsection 2, paragraph b, as enacted by 2020 Iowa Acts, Senate File 2275, section 1, is amended to read as follows:

b. The driver of a motor vehicle who commits a violation under this ~~section~~ subsection and who has previously committed a violation under this ~~section~~ subsection or subsection 3 is, upon conviction, guilty of a class "D" felony.

Sec. 66. Section 514C.35, subsection 4, paragraph d, subparagraph (1), if enacted by 2020 Iowa Acts, Senate File 2261, section 5, is amended to read as follows:

(1) ~~A any~~ Any school, other than a public school, that is accredited pursuant to section 256.11 for any and all levels for grades one through twelve.

Sec. 67. Section 709.23, subsection 2, if enacted by 2020 Iowa Acts, House File 2554, section 4, is amended to read as follows:

2. A person who commits continuous sexual abuse of a child is, upon conviction, guilty of a class "B" felony. Notwithstanding section 902.9, subsection 1, paragraph "*b*", a person convicted of a violation of this ~~subsection~~ section involving any combination of three or more acts of sexual abuse that includes a violation of section 709.3 or 709.4 shall be confined for no more than fifty years.

Sec. 68. 2020 Iowa Acts, Senate File 2357, section 9, subsection 2, paragraph b, subparagraph (1), subparagraph division (a), is amended to read as follows:

(a) Review of requirements. The supervising physician and the physician assistant shall review all of the requirements of physician assistant licensure, practice, supervision, and delegation of medical services as set forth in section 148.13 and chapter 148C, the Iowa administrative code ~~chapter~~ chapters under 653 IAC, and 645 IAC chapters 326 to 329.

Sec. 69. 2020 Iowa Acts, Senate File 2357, section 10, subsection 1, unnumbered paragraph 1, is amended to read as follows:

~~The~~ Notwithstanding section 148C.5, the board of physician assistants shall rescind all of the following:

Sec. 70. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 71. RETROACTIVE APPLICABILITY. The following apply retroactively to March 18, 2020:

1. The section of this division of this Act amending 2020 Iowa Acts, Senate File 2357, section 9.

2. The section of this division of this Act amending 2020 Iowa Acts, Senate File 2357, section 10.

DIVISION XVI

IOWA STATE FAIR BOARD — BOND AUTHORIZATION

Sec. 72. IOWA STATE FAIR BOARD — BOND AUTHORIZATION. If the Iowa state fair board decides not to hold the Iowa state fair for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the Iowa state fair board is authorized to issue and sell negotiable revenue bonds of the Iowa state fair authority pursuant to section 173.14B during the fiscal year for purposes of providing sufficient funds for the advancement of any of its corporate purposes, including salaries, support, maintenance, and miscellaneous purposes.

DIVISION XVII

IOWA LAW ENFORCEMENT ACADEMY — RELOCATION

Sec. 73. 2019 Iowa Acts, chapter 163, section 10, subsection 1, paragraph a, subparagraph (2), is amended to read as follows:

(2) For the costs associated with temporary relocation of the Iowa law enforcement academy:

..... $ 1,015,442

Notwithstanding section 8.33, moneys appropriated in this subparagraph that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain

available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2020.

Sec. 74. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 75. RETROACTIVE APPLICABILITY. This division of this Act, if approved by the governor on or after July 1, 2020, applies retroactively to June 30, 2020.

DIVISION XVIII

NONPUBLIC SCHOOL CONCURRENT ENROLLMENT

Sec. 76. 2019 Iowa Acts, chapter 135, section 5, subsection 27, is amended to read as follows:

27. NONPUBLIC SCHOOL CONCURRENT ENROLLMENT PAYMENTS TO COMMUNITY COLLEGES

For payments to community colleges for the concurrent enrollment of accredited nonpublic students under section 261E.8, subsection 2, paragraph "b", if enacted by 2019 Iowa Acts, Senate File 603:

..... $ 1,000,000

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2020.

Sec. 77. NONREVERSION NOT APPLICABLE TO FY 2020-2021. The specified nonreversion provision set forth in 2019 Iowa Acts, chapter 135, section 5, subsection 27, as amended in this division of this Act, is not applicable to the associated appropriation made for the fiscal year beginning July 1, 2020, and ending June 30, 2021, notwithstanding section 1 of this Act.

Sec. 78. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 79. RETROACTIVE APPLICABILITY. This division of this Act, if approved by the governor on or after July 1, 2020, applies retroactively to June 30, 2020.

DIVISION XIX

RESOURCE ENHANCEMENT AND PROTECTION

Sec. 80. Section 455A.18, subsection 3, paragraph a, Code 2020, is amended to read as follows:

a. For each fiscal year of the fiscal period beginning July 1, 1997, and ending June 30, ~~2021~~ 2023, there is appropriated from the general fund, to the Iowa resources enhancement and protection fund, the amount of twenty million dollars, to be used as provided in this chapter. However, in any fiscal year of the fiscal period, if moneys from the lottery are appropriated by the state to the fund, the amount appropriated under this subsection shall be reduced by the amount appropriated from the lottery.

DIVISION XX

CLERKS OF THE DISTRICT COURT

Sec. 81. Section 602.1215, subsection 1, Code 2020, is amended to read as follows:

1. Subject to the provisions of section 602.1209, subsection 3, the district judges of each judicial election district shall by majority vote appoint persons to serve as clerks of the district court within the judicial election district. The district judges of a judicial election district may appoint a person to serve as clerk of the district court for more than one ~~but not more than four contiguous counties~~ county in the same judicial district. A person does not qualify for appointment to the office of clerk of the district court unless the person is at the time of application a resident of the state. A clerk of the district court may be removed from office for cause by the chief judge of the judicial district, after consultation with the district judges of the judicial election district. Prior to removal, the clerk of the district court shall be notified of the cause for removal.

DIVISION XXI

DEPARTMENT OF PUBLIC SAFETY APPROPRIATION — FY 2019-2020

Sec. 82. DEPARTMENT OF PUBLIC SAFETY. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 2019, and ending June 30, 2020, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For overtime expenses, including salaries, support, maintenance, and miscellaneous purposes:

..... $ 2,400,000

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2020.

Sec. 83. APPROPRIATION NOT APPLICABLE TO FY 2020-2021. The appropriation set forth in this division of this Act shall not be made for the fiscal year beginning July 1, 2020, and ending June 30, 2021, notwithstanding section 1 of this Act.

Sec. 84. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 85. RETROACTIVE APPLICABILITY. This division of this Act, if approved by the governor on or after July 1, 2020, applies retroactively to June 30, 2020.

DIVISION XXII

ALARM SYSTEM CONTRACTORS — FEES AND FINES

Sec. 86. Section 100C.1, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 8A. *"False alarm"* means the activation of an alarm system when a situation requiring emergency response does not actually exist. For purposes of this chapter, *"false alarm"* does not include the activation of an alarm system as a result of weather conditions.

Sec. 87. Section 100C.6, subsection 1, Code 2020, is amended to read as follows:

1. Relieve any person from payment of any local permit or building fee, except as provided in section 100C.11.

1 Sec. 88. NEW SECTION. **100C.11 Alarm systems — fees or**
2 **fines — limitations.**
3 A political subdivision shall not adopt or enforce an
4 ordinance, resolution, rule, or other measure requiring an
5 alarm system contractor to pay a fee or fine associated with
6 any of the following:
7 1. False alarms.
8 2. Emergency response to false alarms.
9 3. Permits associated with placing or keeping an alarm
10 system in service, not including any installation permits
11 required by the political subdivision's building code.
12 Sec. 89. NEW SECTION. **100C.12 Collection of fees.**
13 1. If, prior to the effective date of this division of this
14 Act, an alarm system contractor charged its customers an amount
15 equal to the costs the political subdivision of the state
16 imposed on the alarm system contractor for permits associated
17 with placing or keeping an alarm in service, as shown on a
18 separate line item on the customer's invoice, the alarm system
19 contractor may continue to collect from its customers such fees
20 until December 31, 2020. The alarm system contractor shall
21 pay to the political subdivision of the state or its designee
22 the fees collected under this section in accordance with the
23 instructions of the political subdivision or the political
24 subdivision's designee.
25 2. Fees collected by an alarm system contractor under
26 this section shall not be subject to audit by a political
27 subdivision or the political subdivision's designee.
28 Sec. 90. EFFECTIVE DATE. This division of this Act, being
29 deemed of immediate importance, takes effect upon enactment.
30 DIVISION XXIII
31 ECONOMIC DEVELOPMENT AUTHORITY
32 Sec. 91. 2019 Iowa Acts, chapter 154, section 3, subsection
33 1, paragraph b, is amended by adding the following new
34 subparagraph:
35 NEW SUBPARAGRAPH. (7) For technical assistance to

1 communications service providers in completing applications for
2 federal funds, or any other funds from any public or private
3 sources, related to improving broadband infrastructure.
4 Sec. 92. POWERS APPLICABLE TO FY 2020-2021. The powers set
5 forth in 2019 Iowa Acts, chapter 154, section 3, subsection
6 1, paragraph b, as amended in this division of this Act, are
7 applicable to the associated appropriation made for the fiscal
8 year beginning July 1, 2020, and ending June 30, 2021, pursuant
9 to section 1 of this Act.
10 Sec. 93. INSURANCE ECONOMIC DEVELOPMENT. From the
11 moneys collected by the insurance division in excess of the
12 anticipated gross revenues under section 505.7, subsection
13 3, during the fiscal year beginning July 1, 2020, $100,000
14 shall be transferred to the economic development authority for
15 insurance economic development and international insurance
16 economic development.
17 Sec. 94. UNEMPLOYMENT COMPENSATION
18 PROGRAM. Notwithstanding section 96.9, subsection 4, paragraph
19 "a", moneys credited to the state by the secretary of the
20 treasury of the United States pursuant to section 903 of the
21 Social Security Act are appropriated to the department of
22 workforce development and shall be used by the department for
23 the administration of the unemployment compensation program
24 only. This appropriation shall not apply to any fiscal year
25 beginning after December 31, 2020.
26 Sec. 95. EFFECTIVE DATE. This division of this Act, being
27 deemed of immediate importance, takes effect upon enactment.
28 Sec. 96. RETROACTIVE APPLICABILITY. The following applies
29 retroactively to July 1, 2019:
30 The section of this division of this Act enacting 2019
31 Iowa Acts, chapter 154, section 3, subsection 1, paragraph b,
32 subparagraph (7).
33 DIVISION XXIV
34 CONTINGENT APPROPRIATIONS —— FY 2020-2021
35 Sec. 97. COLLEGE STUDENT AID COMMISSION. There is

1 appropriated from the general fund of the state to the college
2 student aid commission for the fiscal year beginning July 1,
3 2020, and ending June 30, 2021, the following amount, or so
4 much thereof as is necessary, to be used for the purposes
5 designated:
6 For implementation of 2020 Iowa Acts, House File 2629,
7 if enacted, including salaries, support, maintenance, and
8 miscellaneous purposes:
9 ..... $ 32,000
10 Sec. 98. COLLEGE STUDENT AID COMMISSION. There is
11 appropriated from the general fund of the state to the college
12 student aid commission for the fiscal year beginning July 1,
13 2020, and ending June 30, 2021, the following amount, or so
14 much thereof as is necessary, to be used for the purposes
15 designated:
16 For implementation of 2020 Iowa Acts, Senate File 2398,
17 if enacted, including salaries, support, maintenance, and
18 miscellaneous purposes:
19 ..... $ 300,000
20 Sec. 99. DEPARTMENT OF PUBLIC SAFETY. There is appropriated
21 from the general fund of the state to the department of public
22 safety for the fiscal year beginning July 1, 2020, and ending
23 June 30, 2021, the following amount, or so much thereof as is
24 necessary, to be used for the purposes designated:
25 For implementation of 2020 Iowa Acts, House File 2581, as
26 amended in this Act, if enacted, including salaries, support,
27 maintenance, and miscellaneous purposes:
28 ..... $ 411,000
29 Sec. 100. IOWA LAW ENFORCEMENT ACADEMY. There is
30 appropriated from the general fund of the state to the Iowa
31 law enforcement academy for the fiscal year beginning July
32 1, 2020, and ending June 30, 2021, the following amount, or
33 so much thereof as is necessary, to be used for the purposes
34 designated:
35 For implementation of 2020 Iowa Acts, House File 2647,

1 if enacted, including salaries, support, maintenance, and
2 miscellaneous purposes:
3 ..... $ 140,000
4 Sec. 101. CONTINGENT REPEAL. The section of this division
5 of this Act appropriating moneys to the college student aid
6 commission for implementation of 2020 Iowa Acts, House File
7 2629, is repealed if 2020 Iowa Acts, House File 2629, is not
8 enacted.
9 Sec. 102. CONTINGENT EFFECTIVE DATE. The following takes
10 effect on the effective date of 2020 Iowa Acts, Senate File
11 2398, if enacted:
12 The section of this division of this Act appropriating
13 moneys to the college student aid commission for implementation
14 of 2020 Iowa Acts, Senate File 2398.
15 Sec. 103. CONTINGENT EFFECTIVE DATE. The following takes
16 effect on the effective date of 2020 Iowa Acts, House File
17 2581, as amended in this Act, if enacted:
18 The section of this division of this Act appropriating
19 moneys to the department of public safety.
20 Sec. 104. CONTINGENT EFFECTIVE DATE. The following takes
21 effect on the effective date of 2020 Iowa Acts, House File
22 2647, if enacted:
23 The section of this division of this Act appropriating
24 moneys to the Iowa law enforcement academy.
25 DIVISION XXV
26 ADJUSTMENT TO SCHOOL FOUNDATION AID
27 Sec. 105. ADJUSTMENT TO STATE FOUNDATION AID FOR SCHOOL
28 BUDGET YEAR 2020-2021.
29 1. If a school district was required to repay property
30 taxes paid or had a reduction in property taxes due for school
31 taxes levied for the school budget year beginning July 1, 2019,
32 on a property that received an assessed value reduction for
33 the assessment year beginning January 1, 2018, by action of
34 the board of review or property assessment appeal board, or
35 by judicial action, and the amount of the reduction for the

1 property exceeded $47,000,000, the school district is eligible
2 for an adjustment in state foundation aid for the budget year
3 beginning July 1, 2020.
4 2. To receive the adjustment in state foundation aid, the
5 school district shall apply to the department of management
6 within thirty days following the effective date of this
7 division of this Act and section 257.12, subsection 3, shall
8 not apply. The department of management shall determine the
9 amount of adjustment in state foundation aid pursuant to
10 subsection 3.
11 3. The department of management shall determine the amount
12 of state foundation aid which the school district would
13 have received under section 257.1 for the school budget year
14 beginning July 1, 2019, in the manner provided in section
15 257.12, subsection 2. The adjustment in state foundation aid
16 under this section shall be paid as provided in section 257.16.
17 Sec. 106. EFFECTIVE DATE. This division of this Act, being
18 deemed of immediate importance, takes effect upon enactment.
19 DIVISION XXVI
20 HEMP REGULATION
21 Sec. 107. REPEAL. 2020 Iowa Acts, House File 2581, section
22 19, if enacted, is repealed.
23 Sec. 108. 2020 Iowa Acts, House File 2581, if enacted, is
24 amended by adding the following new section:
25 NEW SECTION. 19A. EFFECTIVE DATE. This Act, being deemed
26 of immediate importance, takes effect upon enactment.
27 Sec. 109. RETROACTIVE APPLICABILITY. The following applies
28 retroactively to the effective date of 2020 Iowa Acts, House
29 File 2581, as amended in this division of this Act, if enacted:
30 The section of this division of this Act repealing 2020 Iowa
31 Acts, House File 2581, section 19.
32 DIVISION XXVII
33 GRAIN REGULATION
34 Sec. 110. APPROPRIATION. There is appropriated from the
35 general fund of the state to the department of agriculture

and land stewardship for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the administration and enforcement of chapters 203 and 203C, including salaries, support, maintenance, and miscellaneous purposes:

..... $ 350,000

Sec. 111. SUSPENSION. Notwithstanding section 203D.5, the fees described in that section shall not be assessable or owing.

Sec. 112. REPEAL. The section of this division of this Act suspending fees under section 203D.5 is repealed on March 1, 2021.

Sec. 113. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXVIII

RETURNS ON SEARCH WARRANTS

Sec. 114. Section 808.8, subsection 2, Code 2020, is amended to read as follows:

2. The officer must file, with the officer's return, a complete inventory of the property taken, ~~and state under oath~~ including a sworn statement that it is accurate to the best of the officer's knowledge. The magistrate must, if requested, deliver a copy of the inventory of seized property to the person from whose possession it was taken and to the applicant for the warrant.

Sec. 115. CONTINGENT EFFECTIVE DATE. This division of this Act takes effect on the effective date of rules prescribed by the supreme court and submitted to the legislative council pursuant to section 602.4202, that establish processes and procedures for the application and issuance of a search warrant by electronic means to implement 2017 Iowa Acts, chapter 37.

DIVISION XXIX

COUNTY ZONING

Sec. 116. Section 335.8, subsection 1, Code 2020, as amended by 2020 Iowa Acts, House File 2512, section 3, is amended to read as follows:

1. In order to avail itself of the powers conferred by this chapter, the board of supervisors shall appoint a commission consisting of eligible electors, as defined in section 39.3, who reside within the ~~area regulated by the county zoning ordinance~~ county, but outside the corporate limits of any city, to be known as the county zoning commission. The commission may recommend the boundaries of the various districts and appropriate regulations and restrictions to be enforced in the districts. The commission shall, with due diligence, prepare a preliminary report and hold public hearings on the preliminary report before submitting the commission's final report. The board of supervisors shall not hold its public hearings or take action until it has received the final report of the commission. After the adoption of the regulations, restrictions, and boundaries of districts, the zoning commission may, from time to time, recommend to the board of supervisors amendments, supplements, changes, or modifications. The commission's report and any recommendations may include a proposed ordinance or amendments to an ordinance.

Sec. 117. Section 335.11, Code 2020, as amended by 2020 Iowa Acts, House File 2512, section 4, is amended to read as follows:

335.11 Membership of board.

The board of adjustment shall consist of five members who are eligible electors, as defined in section 39.3, and who reside within the ~~area regulated by the county zoning ordinance~~ county, but outside the corporate limits of any city, each to be appointed for a term of five years, excepting that when the board shall first be created one member shall be appointed for a term of five years, one for a term of four years, one for a term of three years, one for a term of two years, and one for a term of one year. Members shall be removable for cause by

the appointing authority upon written charges and after public hearing. Vacancies shall be filled for the unexpired term of any member whose term becomes vacant.

Sec. 118. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 119. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to June 1, 2020, to members of county zoning commissions and county boards of adjustment holding office on or after that date.

DIVISION XXX

COLLEGE STUDENT AID COMMISSION

Sec. 120. 2019 Iowa Acts, chapter 154, section 17, subsection 1, paragraph d, is amended to read as follows:

d. COLLEGE STUDENT AID COMMISSION

For deposit in the future ready Iowa skilled workforce grant fund established pursuant to section 261.132, as enacted by 2018 Iowa Acts, chapter 1067, section 13:

..... $ 1,000,000

Of the moneys appropriated in this lettered paragraph, $600,000 shall be transferred to the future ready Iowa skilled workforce last-dollar scholarship fund created in section 261.131.

Sec. 121. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 122. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to July 1, 2019.

DIVISION XXXI

VOTING

Sec. 123. Section 53.2, subsection 4, paragraph a, unnumbered paragraph 1, Code 2020, is amended to read as follows:

~~Each application shall contain the following information~~ To request an absentee ballot, a registered voter shall provide:

Sec. 124. Section 53.2, subsection 4, paragraph b, Code 2020, is amended to read as follows:

b. If insufficient information has been provided, including the absence of a voter verification number, either on the prescribed form or on an application created by the applicant, the commissioner shall, ~~by the best means available, obtain the additional necessary information~~ within twenty-four hours after the receipt of the absentee ballot request, contact the applicant by telephone and electronic mail, if such information has been provided by the applicant. If the commissioner is unable to contact the applicant by telephone or electronic mail, the commissioner shall send a notice to the applicant at the address where the applicant is registered to vote, or to the applicant's mailing address if it is different from the residential address. If the applicant has requested the ballot to be sent to an address that is not the applicant's residential or mailing address, the commissioner shall send an additional notice to the address where the applicant requested the ballot to be sent. A commissioner shall not use the voter registration system to obtain additional necessary information. A voter requesting or casting a ballot pursuant to section 53.22 shall not be required to provide a voter verification number.

Sec. 125. Section 53.2, subsection 4, Code 2020, is amended by adding the following new paragraph:

NEW PARAGRAPH. *d.* If an applicant does not have current access to the applicant's voter verification number, the commissioner shall verify the applicant's identity prior to supplying the voter verification number by asking the applicant to provide at least two of the following facts about the applicant:

(1) Date of birth.

(2) The last four digits of the applicant's social security number, if applicable.

(3) Residential address.

(4) Mailing address.

(5) Middle name.

(6) Voter verification number as defined in paragraph *"c"*.

Sec. 126. Section 53.10, subsection 2, paragraph a, Code 2020, is amended to read as follows:

a. Each person who wishes to vote by absentee ballot at the commissioner's office shall first sign an application for a ballot including the following information: name, current address, voter verification number, and the election for which the ballot is requested. The person may report a change of address or other information on the person's voter registration record at that time. Prior to furnishing a ballot, the commissioner shall verify the person's identity as provided in section 49.78. The registered voter shall immediately mark the ballot; enclose the ballot in a secrecy envelope, if necessary, and seal it in the envelope marked with the affidavit; subscribe to the affidavit on the reverse side of the envelope; and return the absentee ballot to the commissioner. The commissioner shall record the numbers appearing on the application and affidavit envelope along with the name of the registered voter.

DIVISION XXXII

BOARD OF REGENTS — ATTORNEYS

Sec. 127. Section 262.9, subsection 16, Code 2020, is amended to read as follows:

16. In its discretion, employ or retain attorneys or counselors ~~when acting as a public employer for the purpose of carrying out collective bargaining and related responsibilities provided for under chapter 20. This subsection shall supersede the provisions of section 13.7~~ to provide legal counsel or legal advice, notwithstanding section 13.7, provided that the provisions of section 13.7 shall govern the retention of attorneys in any action or proceeding that is brought in any court or tribunal.

DIVISION XXXIII

ELECTRIC TRANSMISSION LINES

Sec. 128. NEW SECTION. **478.16 Electric transmission lines**

— federally registered planning authority transmission plans.

1. As used in this section, unless the context otherwise requires:

a. "Electric transmission line" means a high-voltage electric transmission line with a capacity of one hundred kilovolts or more and any associated electric transmission facility, including any substation or other equipment.

b. "Electric transmission owner" means an individual or entity who, as of the effective date of this Act, owns and maintains an electric transmission line that is required for rate-regulated electric utilities, municipal electric utilities, and rural electric cooperatives in this state to provide electric service to the public for compensation.

c. "Incumbent electric transmission owner" means any of the following:

(1) A public utility or a municipally owned utility that owns, operates, and maintains an electric transmission line in this state.

(2) An electric cooperative corporation or association or municipally owned utility that owns an electric transmission facility in this state and has turned over the functional control of such facility to a federally approved authority.

(3) An *"electric transmission owner"* as defined in paragraph *"b"*.

d. "Landowner" means the same as defined in section 478.2.

e. "Municipally owned utility" means a *"city utility"* as defined in section 362.2, or an *"electric power agency"* as defined in section 390.9 which is comprised solely of cities or solely of cities and other political subdivisions.

2. An incumbent electric transmission owner has the right to construct, own, and maintain an electric transmission line that has been approved for construction in a federally registered planning authority transmission plan and which connects to an electric transmission facility owned by the incumbent electric transmission owner. Where a proposed electric transmission

line would connect to electric transmission facilities owned by two or more incumbent electric transmission owners, each incumbent electric transmission owner whose facility connects to the electric transmission line has the right to construct, own, and maintain the electric transmission line individually and equally. If an incumbent electric transmission owner declines to construct, own, and maintain its portion of an electric transmission line that would connect to electric transmission facilities owned by two or more incumbent electric transmission owners, then the other incumbent electric transmission owner or owners that own an electric transmission facility to which the electric transmission line connects has the right to construct, own, and maintain the electric transmission line individually.

3. If an electric transmission line has been approved for construction in a federally registered planning authority transmission plan, and the electric transmission line is not subject to a right of first refusal in accordance with the tariff of a federally registered planning authority, then within ninety days of approval for construction, an incumbent electric transmission owner, or owners if there is more than one owner, that owns a connecting electric transmission facility shall give written notice to the board regarding whether the incumbent electric transmission owner or owners intend to construct, own, and maintain the electric transmission line. If the incumbent electric transmission owner or owners give notice of intent to construct the electric transmission line, the incumbent electric transmission owner or owners shall follow the applicable franchise requirements pursuant to this chapter. If the incumbent electric transmission owner or owners give notice declining to construct the electric transmission line, the board may determine whether another person may construct the electric transmission line.

4. For projects where an election to construct an electric transmission line has been made under this section, all of the

following cost accountability measures shall apply:

a. Within thirty days after the issuance of a franchise pursuant to this chapter for the electric transmission line, the incumbent electric transmission owner or owners shall provide to the board an estimate of the cost to construct the electric transmission line.

b. Until construction of the electric transmission line is complete, the incumbent electric transmission owner or owners shall provide a quarterly report to the board, which shall include an updated estimate of the cost to construct the electric transmission line and an explanation of changes in the cost estimate from the prior cost estimate.

5. This section shall not modify the authority of the board under this chapter, the rights of landowners under this chapter, or the requirements, rights, and obligations relating to the construction, maintenance, and operation of electric transmission lines pursuant to this chapter.

6. This section shall not apply to an electric transmission line to be placed underground that has not been approved for construction in a federally registered planning authority transmission plan.

7. The board shall adopt rules pursuant to chapter 17A to administer this section.

DIVISION XXXIV

CONTINGENT EFFECTIVE DATE AND RETROACTIVE APPLICABILITY

Sec. 129. EFFECTIVE UPON ENACTMENT. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2020, takes effect upon enactment.

Sec. 130. RETROACTIVE APPLICABILITY. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2020, applies retroactively to July 1, 2020.>

By MICHAEL BREITBACH

S-5163 FILED JUNE 13, 2020

ADOPTED

Fiscal Note

Fiscal Services Division

SF 2310 – Iowa Learning Online (LSB5150SV.1)
Staff Contact: Lora Vargason (515.725.2249) lora.vargason@legis.iowa.gov
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Fiscal Note Version – As amended and passed by the Senate

Description

Senate File 2310 as amended and passed by the Senate, makes a variety of changes to the Iowa Code regarding education. This Bill takes effect upon enactment, unless otherwise provided, and is applicable July 1, 2020.

Online Learning Program and Coursework Requirements

The Bill requires school districts and accredited nonpublic schools to report to the Department of Education (DE) online coursework offered by the school district or accredited nonpublic school in which students are enrolled. Rules adopted by the State Board of Education must require that online coursework offered by school districts, accredited nonpublic schools, and area education agencies (AEAs) meet specified requirements. The previously established DE online learning program model, Iowa Learning Online, will be eliminated, and the DE will maintain a list of approved online providers that includes a school district, accredited nonpublic school, partnership or consortium of schools, private provider, AEAs, or Iowa e-Learning Central. The DE and AEAs will coordinate to ensure the most effective use of resources and delivery for the Iowa e-Learning Central platform and will use federal funds, if available, to offset costs to participating schools.

No offer and teach waiver issued by the DE would be required for school districts or accredited nonpublic schools for offering a world language, finance literacy, or computer science course online, if the school district or accredited nonpublic school makes every reasonable and good-faith effort to employ a licensed teacher for the specified subject and is unable to employ such teacher, or if fewer than 10 students typically register for instruction in the specified subject at the school district or accredited nonpublic school. An additional two courses can be offered online with the waiver of offer and teach requirements if the school district or accredited nonpublic school makes every reasonable and good faith effort to employ a licensed teacher for the specified subject and is unable to employ such teacher or fewer than 10 students typically register for instruction in the specified subject at the school district or accredited nonpublic school. A school district or accredited nonpublic school may request an additional waiver from the DE to exceed the five courses allowed for waiver of offer and teach requirements.

An online learning program to deliver distance education to Iowa's students will be available to students receiving independent private instruction (IPI), competent private instruction (CPI), or private instruction by a nonlicensed person, provided such students register with the school district of residence.

Participating students will be awarded high school credit, and the school district or accredited nonpublic school in which the student is enrolled is responsible for recordkeeping and issuing an earned high school diploma. Each school that participates in the program is required to have a site coordinator to serve as a student advocate and as a liaison between the online learning program staff, teachers, and the school district or accredited nonpublic school. School districts

and accredited nonpublic schools will pay AEAs the cost of providing coursework under an online learning program.

This Bill also provides for school calendar flexibility for school districts and accredited nonpublic schools that submit a Return-to-Learn Plan addressing student learning in response to school closures due to a Governor proclamation of a public health disaster emergency related to COVID-19. Any return-to-learn plan submitted by a school district or accredited nonpublic school must contain provisions for in-person instruction and provide that in-person instruction is the presumed method of instruction. This subsection of the Bill is repealed on July 1, 2021.

Temporary Flexibility For Use of Certain Moneys by School Districts to Provide Additional Instructional Time

This Bill allows for additional flexibility for use of professional development dollars and management levy dollars for FY 2021. During the 2020-2021 school year, school districts may use any portion of the 36 required hours for professional development to provide instructional time in addition to the amount of required instructional time under Iowa Code section 279.10. In FY 2021, school districts are estimated to receive $33.6 million in categorical State aid for professional development. At the end of FY 2019, school districts carried over a statewide total of $26.7 million in professional development categorical fund balances for FY 2020.

Temporary Flexibility For Certain Educational and Instructional and Policy Requirements

- Until July 15, 2020, for the school year commencing July 1, 2020, a parent may apply to open-enroll a student in an online public school in another school district if the child, the child's caretaker, or another resident of the child's residence has a significant health condition that may increase the risk of COVID-19.
- For the 2020-2021 school year, if the Governor proclaims a public health disaster, a school board of directors may authorize the closure of the school district due to an outbreak of COVID-19 in the school district or any school district attendance center. School districts are encouraged to follow guidelines issued by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services and the Iowa Department of Public Health.
- For the 2020-2021 school year, minimum school day requirements will not be waived for school closures due to COVID-19 unless the school district or accredited nonpublic school provides compulsory remote learning. Unless explicitly authorized in a proclamation of a public health disaster emergency issued by the Governor and related to COVID-19, a brick-and-mortar school district or accredited nonpublic school will not take action to provide instruction primarily through remote-learning opportunities.
- For the 2020-2021 school year, if a remote-learning period is necessary, teachers and other necessary school staff will be available during regular required contract hours.
- For the 2020-2021 school year, a student who is enrolled in a school district or accredited nonpublic school but who does not participate in compulsory remote-learning opportunities that are implemented due to COVID-19 will be considered truant, except for defined excluded students.
- For the 2020-2021 school year, the DE may waive teacher-endorsement requirements for defined circumstances.
- For the 2020-2021 school year, when implementing social distancing policies included in a return-to-learn plan, school districts and accredited nonpublic schools must, to the extent possible, provide in-person instruction for core academic subjects.
- For the 2020-2021 school year, statewide assessments will not be waived.
- For the 2020-2021 school year, cardiopulmonary resuscitation certification (CPR) requirements for graduation will be waived for specified circumstances.

- If a parent or guardian of a student enrolled in a school district or accredited nonpublic school notifies the school in writing, with specific notice requirements, that a student, resident of the student's residence, or caretaker of the student has a significant health condition that increases the risk of COVID-19, the school will make reasonable accommodations for the student to attend school through remote learning. The provisions and accommodations for students with individualized education programs (IEP) or in need of accommodations will be determined by the student's IEP or accommodations team. The school may collaborate with an AEA or another school district or accredited nonpublic school to provide remote learning opportunities to the defined student.
- A school district or accredited nonpublic school, in response to a proclamation of a public health disaster emergency explicitly addressing school closures issued by the Governor and related to COVID-19, may provide instruction primarily through continuous remote-learning opportunities if such instruction is provided in accordance with the school's return-to-learn plan submitted to the DE regardless of whether the school is approved to provide instruction primarily through continuous remote-learning opportunities. Instruction provided pursuant to this section will be provided by Iowa licensed teachers and will be aligned with the Iowa Core and core content requirements and standards.

School District Impact Report
The Bill requires school districts to submit a report, with specified information, to the DE detailing any reduction in expenditures to the school district resulting from the closure of schools due to COVID-19 during the school budget year beginning July 1, 2019, and ending June 30, 2020. The DE will prepare and submit to the General Assembly, by November 15, 2020, a report that details, for each school district, the total net impact of the COVID-19 pandemic on each school district's budget.

Fiscal Impact
The estimated fiscal impact of SF 2310, by section, is as follows:

Online Learning Program and Coursework Requirements
There will be no fiscal impact to the State for this section unless an appropriation is made for the online learning platform. An estimated $7.0 million will be provided for establishing the statewide online learning platform through the Elementary and Secondary School Emergency Relief Fund as part of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748).

School districts and accredited nonpublic schools participating in the online learning program may incur additional staff costs associated with the requirement to have a site coordinator.

Temporary Flexibility For Use of Certain Moneys by School Districts to Provide Additional Instructional Time
This section has no fiscal impact to the State or local property taxes. Some districts may choose to use professional development dollars in the 2020-2021 school year for additional instructional time in the classroom; however, the amount that will be used cannot be determined.

Temporary Flexibility For Certain Educational and Instructional and Policy Requirements
The fiscal impact of this section cannot be determined; however, there may be some impact to school districts as follows:
- Some districts may experience an increase or decrease in revenue due to an increase in COVID-19 related open enrollment filers; however, the extent is unknown.

- There may be increased costs to provide compulsory remote learning independently or alongside in-building learning and potentially in collaboration with AEAs.
- There may be increased information technology costs to ensure accessibility of teachers and other necessary staff.
- There may be costs associated with additional personnel and reporting for students not participating in compulsory remote-learning opportunities, who are considered truant.
- There may be costs associated with additional staff to support multiple classrooms to meet social distancing requirements.
- There may be potential support costs for administration of the statewide summative assessment outside of a typical classroom setting. The State currently provides a $3.0 million appropriation to Iowa Testing Programs that offsets the school district and accredited nonpublic school cost of the statewide summative assessment. The cost per test/per student, not covered by the State appropriation, is directly billed from Iowa Testing Programs to school districts.
- There may be cost savings to school districts with the potential DE waiver of teacher-endorsement requirements allowing a teacher to teach multiple subject areas or multiple grades, and the availability of an online learning option for determined courses.
- There may be additional cost savings to school districts that opt to use the statewide online learning program instead of paying for a course provided by an online private provider. For more information, see the ***Fiscal Note*** for SF 394.
- There may be cost savings to school districts by using State-developed and -owned content available via the online learning platform rather than individual school district purchases and development of content.

School District Savings Report

There may be one-time costs to the DE in compiling the requested information, but the amount cannot be determined.

Senate File 2310 may include a State mandate as defined in Iowa Code section 25B.3 and requires that any State mandate in the Bill be paid by a school district from the State Foundation Aid appropriation.

Source

Iowa Department of Education

/s/ Holly M. Lyons

June 13, 2020

Doc ID 11377291137729

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.

Fiscal Note

Fiscal Services Division

SF 2419 – Department of Revenue, Omnibus Bill (LSB5409SV)
Staff Contact: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov
Fiscal Note Version – New

Description

Senate File 2419 contains 26 divisions. Please note that for this ***Fiscal Note,*** the term "Department" refers to the Iowa 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 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 preserve 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.
  - 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** 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 V** relates to partnership and other pass-through entity tax returns and audits.
- **Division VI** 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 VII** 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 VIII** changes how Iowa tax law couples with federal Internal Revenue Code references to depreciation schedules known as "Section 179 expensing." The current coupling provision in the Iowa Code does not automatically couple with future changes to the federal tax code related to Section 179 expensing. With this change, Iowa will automatically couple with future federal tax law changes in this tax item.
- **Division IX** clarifies that Iowa tax relief from spousal joint and several liability is available under all circumstances for which such relief would be granted through the federal Internal Revenue Code. The change also provides a mechanism for the Department to allow the nonrequesting spouse to intervene in the Department's process for deciding whether to grant relief.
- **Division X** relates to the corporate tax credit under the High Quality Jobs Program for sales tax paid by a third-party developer (Iowa Code section 15.331C). The change allows a pass-through business entity to transfer the credit to the entity's owners for tax credit redemption.
- **Division XI** allows funds in an Iowa Educational Savings Plan Trust (529 Plan) to be used for participation in a certified apprenticeship program.
- **Division XII** extends the tax year 2019 contribution deadline for 529 Plan and First-Time Homebuyer Account contributions until July 31, 2020.
- **Division XIII** exempts personal protective equipment and materials assembled to become personal protective equipment and donated by a business during a specified time frame from the State use tax. The change is retroactive to January 1, 2020.
- **Division XIV** prohibits counties and cities from adopting or enforcing an ordinance that prohibits short-term rental properties. The language also prohibits local restrictions related to distance separation requirements for single-family homes and duplexes and cities and counties are required to consider short-term rental properties as residential land for zoning purposes.
- **Division XV** removes the two statutory requirements (triggers) that are necessary under current law in order for the contingent individual income tax system established in 2018 Iowa

Acts, chapter 1161, Division IX, to become effective. Under current law, the contingent system could first become effective for tax year 2023 if General Fund revenue for FY 2022 reaches at least a specified dollar amount and percentage growth. With the triggers removed, the contingent system will become effective beginning tax year 2023.

- **Division XVI** 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 XVII** 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 time frame 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 XVIII** modifies the required distribution of an existing annual $10.0 million tax credit cap that is divided between two economic development programs administered by the Economic Development Authority.
- **Division XIX** provides a capital gains income tax deduction equal to 15.0% of the net capital gain reported by the taxpayer. The change is effective for tax year 2020 and after.
- **Division XX** relates to local assessors. The Division:
  - Requires local assessor appointments to be confirmed by the Director of 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 XXI** modifies the conditions under which a Rural Improvement Zone (RIZ or Zone) may be created or exist. The change removes a requirement that a RIZ be associated with a private lake and instead allows the creation or existence of a RIZ that is a private development that is adjacent to or abuts a private or public lake. The change applies to any RIZ currently in existence or created in the future.
- **Division XXII** 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 XXIII** excludes the forgiven loan proceeds a business receives through the federal Paycheck Protection Program (PPP) from taxable income for Iowa income tax purposes.
- **Division XXIV** exempts income taxpayers receive through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act in the form of emergency student grants from the State income tax. The exemption applies to any tax year ending after March 27, 2020.

- **Division XXV** exempts the income taxpayers receive through the federal CARES Act in the form of stimulus tax refund payments from the State income tax. The CARES Act payments equal a maximum of $1,200 per taxpayer and $500 per dependent.
- **Division XXVI** relates to deer and turkey hunting on a farm by the land owner or tenant. The changes expand the coverage of owner/tenant deer and turkey hunting licenses so as to make a single license applicable to all seasons (bow and firearm) of the license year.

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 IV)
- Partnership and Pass-Through Entity Audits (Division V)
- Setoff Procedures Effective Date (Division VI)
- Section 179 Expensing Conformity (Division VIII)
- Married Taxpayers Joint Liability (Division IX)
- 529 Plan and First-Time Homebuyer Contribution Date Change (Division XII)
- Short-Term Rental Property (Division XIV)
- Local Assessor Changes (Division XX)
- Emergency Student Grant Exemption (Division XXIV)

Fiscal Impact Assumptions

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

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

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 and reduce General Fund or State income tax revenue by $4.2 million annually.

Third-Party Developer Tax Credit. The Department estimates that this change will increase annual tax credit redemptions by $75,000.

529 Plan Apprenticeship Program. The Department estimates that this change will decrease annual State income taxes for qualified taxpayers by $50,000.

Personal Protective Equipment. The Department estimates that Iowa business will utilize $72.2 million in materials to manufacture qualified (donated) personal protective equipment in FY 2020 and $36.1 million in FY 2021. The use tax rate is 6.0%, with 5.0% retained by the State General Fund and 1.0% dedicated to school infrastructure.

Contingent Individual Income Tax System Triggers. The Department concludes that the contingent individual income tax system will be activated beginning with tax year 2023 under

current law by assuming that the two General Fund revenue triggers will be met at the end of FY 2022. While the recent public health and economic situation has significantly reduced the likelihood that both triggers will be met in FY 2022, the Legislative Services Agency (LSA) agrees that in order to be consistent with past fiscal estimates, the Department's assumption is valid. Should the Iowa economic situation not improve sufficiently by the end of FY 2022, the assumption may turn out to be invalid.

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 provision on the Joint Committee on Taxation estimated national impact of the provision when the provision was adopted by Congress. The Department warns that the actual impact of the Iowa 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, which is estimated to reduce State sales tax revenue by $5.0 million per year.

Innovation Fund Tax Credit Allocation. Under current law, $2.0 million in tax credits per year may be awarded through the Qualifying Business Tax Credit (also known as the Angel Investor Tax Credit) and $8.0 million per year through the Innovation Fund Tax Credit. This change would move up to $2.0 million per year from the Innovation Fund Tax Credit to the Qualifying Business Tax Credit. Since the Innovation Fund Tax Credit does not approach using its full $8.0 million per year but the Qualifying Business Tax Credit is fully awarded each year, the shifting of unused tax credit authorization from one tax credit to a credit that will use the authorization is expected to result in more tax credit redemptions than under current law.

The Qualifying Business Tax Credit is refundable if redeemed on an individual income tax return so the credits can be expected to be redeemed at nearly 100.0% of awards. The redemption pattern assumed follows the pattern for previous awards of Qualifying Business Tax Credits.

Although the change is effective upon enactment and could potentially impact tax year 2019 tax returns and FY 2020, the first fiscal year of credit redemptions is assumed to be FY 2021.

Capital Gains Deduction from Income. The State individual income tax reduction associated with a 15.0% capital gains deduction is estimated by the Department to be $45.6 million for FY 2021 and $41.8 million in FY 2022 with similar reductions for future fiscal years.

Rural Improvement Zones. Currently, the location of a Rural Improvement Zone (RIZ or Zone) is restricted to areas around private lakes. The change in the Bill will allow new Zones near or abutted to public lakes. This could expand the number of RIZ areas. Rural Improvement Zones impact the State General Fund through the interaction of the school aid formula and the tax increment financing (TIF) option available to a RIZ. Rural Improvement Zones also impact local government property tax revenue by concentrating development in areas that are subject to TIF. While this change is assumed for the purposes of this ***Fiscal Note*** to have no immediate fiscal impact, the impact on property tax and the State School Aid appropriation could become significant in future years if new Zones develop as a result of this change.

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 time frame allowed under the change (calendar year 2025). The Department also assumes that the change is first applicable to calendar year 2022.

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.

Federal Stimulus Tax Refund Payment Exemption. The Department has determined that the stimulus tax refund payments distributed to Iowans through the federal CARES Act are exempt from Iowa income tax under existing law.

Deer and Turkey Hunting Licenses. The Department of Natural Resources estimates that the changes to the farm owner/tenant license will reduce turkey license purchases by 1,100 each year and deer license purchases by 11,100 each year. The license reduction is estimated to reduce Fish and Game Trust Fund income by $397,000 per year.

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	Preserve Whitetail Deer Sales Tax	$ 0.0	$ -0.2	$ 0.0	$ 0.0	$ 0.0	$ 0.0
III	Net Operating Loss	0.0	-1.0	-1.0	-1.1	-1.1	-1.1
VII	Entity-Level Income Tax Paid	0.0	-4.2	-4.2	-4.3	-4.3	-4.4
X	Third-Party Developers Sales Tax Exemption	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
XI	Section 529 Plan Apprenticeship Programs	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
XIII	Personal Protective Equipment Sales Tax Exemption	-3.6	-1.8	0.0	0.0	0.0	0.0
XV	Contingent Individual Income Tax Triggers	0.0	0.0	0.0	0.0	0.0	0.0
XVI	Business Interest Expense	0.0	-6.2	-4.1	-8.8	-14.4	-16.7
XVI	Global Intangible Low-Taxed Income	0.0	-13.8	-5.1	-5.1	-5.2	-5.3
XVII	Reinvestment Districts Sales Tax Diversion	0.0	-5.0	-5.0	-5.0	-5.0	-5.0
XVIII	Innovation Fund and Qualifying Business Tax Credits	0.0	-2.0	-2.0	-2.0	-2.0	-2.0
XIX	Capital Gains Deduction	0.0	-45.6	-41.8	-42.1	-45.1	-47.1
XXI	Rural Improvement Zone Expansion	0.0	0.0	0.0	0.0	0.0	0.0
XXII	School Tuition Tax Credit	0.0	0.0	0.0	-1.0	-2.5	-4.1
XXIII	Paycheck Protection Program Loans	0.0	-5.8	0.0	0.0	0.0	0.0
XXV	Federal Stimulus Tax Refund Exemption	0.0	0.0	0.0	0.0	0.0	0.0
	Total	$ -3.6	$ -85.8	$ -63.4	$ -69.6	$ -79.8	$ -85.9

A reduction in the yield from the income tax surtax for schools of approximately $2.4 million per year is also projected. In addition, the change to farm owner/tenant deer and turkey hunting licenses is projected to reduce Fish and Game Fund annual total revenue by a projected $397,000 per year.

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

June 13, 2020

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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.

Fiscal Note

Fiscal Services Division

House File 2627 – Professional Licensing (LSB5563HZ)
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Fiscal Note Version – As amended and passed by the House

Description

House File 2627 as amended and passed by the House relates to the regulation of professional licensure in Iowa, including the recognition of out-of-state professional licenses and stated disqualification provisions for criminal convictions. The Bill does the following:

- Excludes misdemeanors from the offenses that are grounds for professional license denial, revocation, or suspension for electrical and plumbing licenses.
- Adds language providing that only certain felony convictions are grounds for professional licensure denial, revocation, or suspension, and only if an unreasonable risk to public safety exists because the offense directly relates to the duties and responsibilities of the profession and the professional licensing board does not grant an exception. This language applies only to electrical and plumbing licenses.
- Allows an applicant to petition a professional licensing board for a determination of whether the applicant's criminal history results in the denial of a license, and allows the professional licensing board to charge a fee to the applicant for the administrative work involved in reviewing the petition. The fee cannot exceed $25.
- Provides that professional licensing boards issuing licenses to apprentice and unclassified electricians cannot reject an application for professional licensure solely due to incarceration status or duration of time since the release of an applicant from incarceration.
- Requires that specified professional licensing boards issue professional licenses to applicants with out-of-state licenses if the applicants have established Iowa residency and met specified conditions.
- Requires specified professional licensing boards to extend license expiration dates to June 30, 2021.
- Eliminates the Hospital Licensing Board.
- Waives the initial application and background check fees for any professional licensure applicant if the applicant's household income is at or below 200.0% of the federal poverty level and the applicant has not previously applied for that professional license in Iowa.

The Bill is effective on January 1, 2021.

Background

Background checks and criminal history record checks are provided by the Division of Criminal Investigation within the Department of Public Safety on the behalf of the entities conferring professional licenses in HF 2627. The following felony convictions are grounds for the denial of an electrical or plumbing professional license, in addition to the revocation and suspension of that license:

- Sexual abuse in violation of Iowa Code section 709.4
- Sexual violence as defined in Iowa Code section 229A.2
- Dependent adult abuse in violation of Iowa Code section 235B.20
- Domestic abuse assault in violation of Iowa Code section 708.2A

The Bill provides that these felony convictions are grounds for the denial, revocation, or suspension of a license only if an unreasonable risk to public safety exists because the offense directly relates to the duties and responsibilities of the profession and the professional licensing board does not grant an exception. The Bill specifies that other felony convictions and all misdemeanor offenses are not grounds for license denial, revocation, or suspension.

Assumptions

- Professional licensing system software changes will be necessary to accommodate the licensing changes in the Bill. The Department of Public Health (DPH) estimates a one-time cost of $40,000 to update its professional licensing software.
- The number of new applications received in FY 2021 by DPH licensing boards will be similar to the average number of applications received for fiscal years 2018 and 2019.
- 200.0% of the federal poverty level (FPL) is as follows for calendar year 2020:
  - For a household of 1: $25,520
  - For a household of 2: $34,480
  - For a household of 3: $43,440
  - For a household of 4: $52,400
- For estimating purposes, it is assumed that between 1.0% and 5.0% of new applicants for DPH professional licenses will meet the 200.0% FPL criteria for fee waivers (**Table 5**).
- Professional licensing boards will assess the maximum $25 fee for reviewing petitions.
- For estimating purposes, it is assumed that between 1.0% and 5.0% of the new license applications received by the DPH will have petitions filed and be subject to the $25 petition fee (**Table 6**).
- For estimating purposes, it is assumed that the majority of FY 2020 license renewals are paid
- The Bill will not affect accountants, architects, engineers and land surveyors, landscape architects, and interior designers as these professions require an apprentice period before qualifying for licensure and it is assumed that the individuals in those positions will be earning more than 200.0% of the federal poverty level regardless of household size at the time of applying for licensure.
- The following percentages of applicants will qualify for the fee waiver:
  - Real estate salespersons: 25.0% of applicants
  - Real estate appraisers: 75.0% of applicants
  - Certified residential appraisers: 50.0% of applicants
  - Certified general appraisers: 25.0% of applicants
- A 2.0% growth rate was applied to provide Professional Licensing Bureau (PLB) calculations pertaining to real estate salespersons for FY 2021.
- The number of new applications received annually by the PLB (with the exception of real estate salesperson license applications) will be similar to the number received in FY 2019.
- For estimating purposes, it is assumed that between 1.0% and 5.0% of the new license applications received by the PLB will have petitions filed and be subject to the $25 petition fee (**Table 9**).

Fiscal Impact

Department of Public Health — Fiscal Impact Background Information

Licensing boards under the purview of the DPH processed an average of 20,414 new professional license applications during FY 2018 and FY 2019, which generated an average of $2.1 million in new license fee revenue. The cost for administering the background checks for the new licenses averaged $329,000. License fee revenue is retained by the professional licensing boards to cover expenses.

Table 1 — DPH Average New License Fee Revenue — Current Law

Division/Board	New Applications	New License Revenue	Background Check Costs
ADPER/EH	4,078	$ 284,815	$ 70,950
BPL	4,690	473,849	30,000
Pharmacy	4,073	326,690	37,980
Nursing	4,578	305,369	162,750
Dental	1,430	102,225	12,788
Medicine	1,565	593,100	14,040
Total	**20,414**	**$ 2,086,048**	**$ 328,508**

ADPER/EH = Acute Disease Prevention and Emergency Response/Environmental Health
PL= Bureau of Professional Licensure

DPH License Renewal Extension

In addition to revenue from new license fees, DPH professional licensing boards generate revenue by renewing existing licenses. The Bill specifies that licenses under Iowa Code section 147.13 that are set to expire in 2020 are extended to June 30, 2021.

Table 2
Bureau of Professional Licensure
Total Active Licenses

Board	Licenses
Cosmetology Arts and Sciences	18,640
Physical and Occupational Therapy	7,202
Social Work	4,170
Massage Therapy	3,256
Respiratory Care and Polysomnography	1,989
Behavioral Science	1,984
Chiropractic	1,882
Speech Pathology and Audiology	1,819
Physician Assistants	1,609
Dietetics	1,206
Psychology	1,114
Barbering	1,047
Mortuary Science	934
Nursing Home Administrators	857
Athletic Trainers	827
Optometry	713
Podiatry	387
Sign Language Interpreters and Transliterators	377
Hearing Aid Specialists	376
Total Licenses	**50,389**

As slightly fewer than 5,000 licenses under the DPH Bureau of Professional Licensure (BPL) are new licenses, approximately 46,000 licenses are renewed licenses.

The number of active licenses renewed by the remaining boards under Iowa Code section 147.13 are as follows:

Table 3
DPH Active Licenses

Board	Licenses
Board of Medicine	12,009
Board of Nursing	65,215
Dental Board	6,090
Board of Pharmacy	8,044
Total Licenses	**91,358**

Carryforward Funds

The BPL does not receive a General Fund appropriation; instead, the Bureau relies on carryforward funds to cover expenses at the beginning of the fiscal year before license fee revenue is received. Carryforward funds are also sometimes required for covering costs of larger ongoing projects, such as information technology updates. Additionally, some of the licenses under the BPL are set to be renewed in the same time frame; for example, the licenses to practice acupuncture are all renewed in October of even-numbered years. A license renewal extension to June 30, 2021, would indicate a greater reliance on carryforward funds to mitigate cash flow issues throughout FY 2021. As shown in **Table 4**, the FY 2021 estimated carryforward balances for the BPL and the Dental Board are particularly low. The amount of carryforward balance as a percentage of total annual expenses varies by board.

Table 4 — Carryforward Balances for DPH Boards

Professional Licensing Entities	FY 2021 Carryforward Estimate	Carryforward Percentage of Total Expenses
Professional Licensure	$ 160,566	5.9%
Pharmacy	1,478,557	48.2%
Nursing	572,713	16.7%
Dental	238,727	21.9%
Medicine	1,262,663	37.9%
Total Carryforward Funds	**$ 3,713,226**	

LSA estimate

Department of Public Health — Estimated FY 2021 Impact

The revenue reduction to the DPH in the first year of implementation of HF 2627 ranges from $61,000 to $234,000, as the percentage of waived application fees will determine the fiscal impact. To implement the license fee and background check waiver provision in the Bill, the Department estimates a one-time cost of $40,000 will be incurred to update the professional licensing system software. **Table 5** shows the estimated decrease in fee revenue the Department may experience, depending on the percentage of applicants qualifying for the fee waiver.

Table 5 — DPH Fiscal Impact

Division/Board	New Applications	1.0% Meet FPL Criteria	3.0% Meet FPL Criteria	5.0% Meet FPL Criteria
ADPER/EH	4,078	$ 2,848	$ 8,544	$ 14,240
PL	4,690	4,738	14,215	47,383
Pharmacy	4,073	3,267	9,801	32,670
Nursing	4,578	3,054	9,161	30,535
Dental	1,430	1,022	3,067	10,223
Medicine	1,565	5,931	17,793	59,309
One-Time Software Update		40,000	40,000	40,000
Total Revenue Reduction	**20,414**	**$ 60,860**	**$ 102,580**	**$ 234,360**

Totals may not sum due to rounding.

Petition Fees

A professional licensing board can administer a maximum fee of $25 to applicants petitioning the licensing board for a determination of whether the applicant's criminal history results in the denial of a license for the administrative work involved in reviewing the petition.

Table 6 shows the range of the estimated increase from petition fee revenue to be generated by applicants filing petitions for the awarding of licenses based on a fee of $25. The fiscal estimate for increased administrative fee revenue from petitions to the DPH ranges from $5,000 to $77,000 annually.

Table 6 — DPH Fee Revenue from Petition Fees

Division/Board	New Applications	1.0% Petition	5.0% Petition	15.0% Petition
ADPER/EH	4,078	$ 1,020	$ 5,098	$ 15,293
PL	4,690	1,173	5,863	17,588
Pharmacy	4,073	1,018	5,091	15,274
Nursing	4,578	1,145	5,723	17,168
Dental	1,430	358	1,788	5,363
Medicine	1,565	391	1,956	5,869
Total Revenue Increase	**20,414**	**$ 5,104**	**$ 25,518**	**$ 76,553**

Totals may not sum due to rounding.

Division of Banking — PLB Fiscal Impact Background Information

In FY 2019, licensing boards under the purview of the PLB processed 922 new applications. These applications generated $119,000 in fee revenue, and the cost for background checks was approximately $17,000.

Table 7 — FY 2019 PLB Licensing Fee Revenue

License Type	New Applications	Fee Revenue	Background Check Costs
Real Estate Salespersons	892	$ 51,290	$ 16,056
Real Estate Appraisers	27	37,910	486
Certified Residential Appraisers	2	22,300	36
Certified General Appraisers	1	7,680	18
Total	**922**	**$ 119,180**	**$ 16,596**

Division of Banking — PLB — FY 2021 Estimated Impact

Table 8 shows the estimated decrease in licensing fee revenue the PLB may experience as a result of the fee waiver in the Bill during the first year of implementation, after a 2.0% growth rate in new real estate salesperson license applications has been applied. The annual revenue decrease to the PLB as a result of the fee waiver in the Bill is estimated to be $35,000.

Table 8 — PLB Licensing Fee Revenue Loss
FY 2021 Compared to Estimated FY 2020

License Type	Revenue Loss
Real Estate Salespersons	$ 13,973
Real Estate Appraisers	10,328
Certified Residential Appraisers	6,075
Certified General Appraisers	4,810
Total Revenue Reduction	**$ 35,185**

Table 9 shows the estimated administrative fee revenue to be generated by a certain percentage of applicants filing petitions for reinstatement of licenses based on a fee of $25. The estimate ranges from $300 to $1,000.

Table 9 — PLB Fee Revenue from Petition Fees

License Type	New Applications	1.0% Petition	3.0% Petition	5.0% Petition
Real Estate Salespersons	1,058	$ 275	$ 800	$ 1,325
Real Estate Appraisers	24	0	25	25
Certified Residential Appraisers	3	0	0	0
Certified General Appraisers	1	0	0	0
Total Revenue Increase	**1,086**	**$ 275**	**$ 825**	**$ 1,350**

Summary of FY 2021 Impact

Table 10 summarizes the FY 2021 fiscal impact for the DPH and the PLB in the Division of Banking.

Table 10 — Summary of Fiscal Impact

	FY 2021 Board Fee Revenue Impact - Low Estimate	FY 2021 Board Fee Revenue Impact - High Estimate
DPH		
Revenue Reduction	-$60,860	-$234,360
One-time Software Cost	-40,000	-40,000
Petition Fee Revenue	5,104	76,553
Net Revenue Reduction	**-$95,756**	**-$197,807**
PLB		
Revenue Reduction	-$35,185	-$35,185
Petition Fee Revenue	1,350	275
Net Revenue Reduction	**-$33,835**	**-$34,910**
Total Revenue Reduction	**-$129,591**	**-$232,717**

Hospital Licensing Board

The elimination of the Hospital Licensing Board will not have a significant fiscal impact.

Sources

Department of Public Health
Department of Commerce, Division of Banking, Professional Licensing Bureau
U.S. Department of Health and Human Services
LSA analysis

/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.

Fiscal Note

Fiscal Services Division

HF 2641 – Department of Revenue, Omnibus Bill (LSB5409HV.2)
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Fiscal Note Version – As amended by S-5157 (strike after amendment)

Description

House File 2641, as amended by S-5157, contains 28 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 preserve 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 service.
    - 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** 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 V** relates to partnership and other pass-through entity tax returns and audits.
- **Division VI** 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 VII** clarifies that Iowa tax relief from spousal joint and several liability is available under all circumstances for which such relief would be granted through the federal Internal Revenue Code. The change also provides a mechanism for the Department to allow the nonrequesting spouse to intervene in the Department's process for deciding whether to grant relief.
- **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 time frame 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** 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. The Division also removes a 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.
- **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 income taxpayers receive through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act in the form of emergency student grants from the State income tax. The exemption applies to any tax year ending after March 27, 2020.
- **Division XVI** exempts the income taxpayers receive through the federal CARES Act in the form of stimulus tax refund payments from the State income tax. The CARES Act payments equal a maximum of $1,200 per taxpayer and $500 per dependent.
- **Division XVII** 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 XVIII** 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 XIX** changes how Iowa tax law couples with federal Internal Revenue Code references to depreciation schedules known as "Section 179 expensing." The current coupling provision in the Iowa Code does not automatically couple with future changes to the federal tax code related to Section 179 expensing. With this change, Iowa will automatically couple with future federal tax law changes in this tax item.
- **Division XX** allows funds in an Iowa Educational Savings Plan Trust (529 Plan) to be used for participation in a certified apprenticeship program.
- **Division XXI** extends the tax year 2019 contribution deadline for 529 Plan and First-Time Homebuyer Account contributions until July 31, 2020.
- **Division XXII** specifies conditions under which refunds of qualified 529 Plan higher education expenses may be recontributed to the original 529 Plan account without impacting the account contributor's taxable income.
- **Division XXIII** exempts personal protective equipment and materials assembled to become personal protective equipment and donated by a business during a specified time frame from the State use tax. The change is retroactive to January 1, 2020.
- **Division XXIV** 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 a food operation.

- **Division XXV** prohibits counties and cities from adopting or enforcing an ordinance that prohibits short-term rental properties. The language also prohibits local restrictions related to distance separation requirements for single-family homes and duplexes and cities and counties are required to consider short-term rental properties as residential land for zoning purposes.
- **Division XXVI** modifies the conditions under which a Rural Improvement Zone (RIZ or Zone) may be created or exist. The change removes a requirement that a RIZ be associated with a private lake and instead allows the creation or existence of a RIZ that is a private development that is adjacent to or abuts a private or public lake. The change applies to any RIZ currently in existence or created in the future.
- **Division XXVII** allows tax credits for projects approved prior to July 1, 2015, under the former Housing Enterprise Zone (HEZ) Program to qualify as transferable tax credits. The change is retroactive to May 30, 2014. To qualify for the additional transfer criteria created in the Bill, the tax credits must have been awarded:
  - Before July 1, 2015.
  - For a housing development project located in a blighted area.
  - For a project located in a county that has a population of less than 105,000. This requirement excludes projects in Polk, Linn, Scott, Johnson, and Black Hawk counties.
  - For a project where the eligible housing business submitted a written request to transfer the credits before July 1, 2019.
- **Division XXVIII** creates a "Flying Our Colors" license plate and requires the Department of Transportation (DOT) to design the plate. The plate requires two fees, an initial special fee of $35 and an annual special fee of $10. These fees are deposited in the Road Use Tax Fund (RUTF). At the end of each month, the Treasurer of State is required to credit the amount equal to the special fees deposited in the RUTF from the Statutory Allocations Fund (SAF) to the Flood Mitigation Fund. The language also specifies that the initial fee for a personalized plate is $25 and the annual renewal fee for such plate is $5. The fees for personalized plates are not subject to deposit in the Flood Mitigation Fund.

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 IV)
- Partnership and Pass-Through Entity Audits (Division V)
- Setoff Procedures Effective Date (Division VI)
- Married Taxpayers Joint Liability (Division VII)
- Local Assessor Changes (Division XIII)
- Emergency Student Grant Exemption (Division XV)
- Section 179 Expensing Conformity (Division XIX)
- 529 Plan and First-Time Homebuyer Contribution Date Change (Division XXI)
- 529 Plan Recontribution (Division XXII)
- Food Operation Trespass (Division XXIV)
- Short-Term Rental Property (Division XXV)

<u>Fiscal Impact Assumptions</u>

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

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

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 Iowa 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.

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 time frame allowed under the change (calendar year 2025). The Department also assumes that the change is first applicable to calendar year 2022.

Corporate School Tuition Organization Tax Credit. The Department reports that corporate donations account for less than the 10.0% of total credits allocated under current law and therefore the removal of the 25.0% limitations on the portion of a year's annual credit that may be awarded to corporate taxpayers 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 this Division, removal of the corporate income tax percentage limit could result in a fiscal impact until the tax credit cap reaches $20.0 million. Any additional fiscal impact from the combination of divisions of the two changes 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.

Federal Stimulus Tax Refund Payment Exemption. The Department has determined that the stimulus tax refund payments distributed to Iowans through the federal CARES Act are exempt from Iowa income tax under existing law.

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.

529 Plan Apprenticeship Program. The Department estimates that this change will decrease annual State income taxes for qualified taxpayers by $50,000.

Personal Protective Equipment. The Department estimates that Iowa business will utilize $72.2 million in materials to manufacture qualified (donated) personal protective equipment in FY 2020 and $36.1 million in FY 2021. The use tax rate is 6.0%, with 5.0% retained by the State General Fund and 1.0% dedicated to school infrastructure.

Rural Improvement Zones. Currently, the location of a Rural Improvement Zone (RIZ or Zone) is restricted to areas around private lakes. The change in the Bill will allow new Zones near or abutted to public lakes. This could expand the number of RIZ areas. Rural Improvement Zones impact the State General Fund through the interaction of the school aid formula and the tax increment financing (TIF) option available to a RIZ. Rural Improvement Zones also impact local government property tax revenue by concentrating development in areas that are subject to TIF. While this change is assumed for the purposes of this ***Fiscal Note*** to have no immediate fiscal impact, the impact on property tax and the State School Aid appropriation could become significant in future years if new Zones develop as a result of this change.

Enterprise Zone Tax Credit Transfers. The Department and the Iowa Economic Development Authority report that seven projects totaling $430,000 meet the new tax credit transfer requirements established in the Bill. It is assumed that completed projects will start claiming credits in FY 2021. Transferred tax credits under the HEZ Program typically take three years to be fully redeemed. The average tax credit redemption pattern of transferred housing tax credits is:

- First year = 46.5%

- Second year = 46.5%
- Third year = 7.0%

Flying Our Colors License Plate. The LSA assumes that 1,750 "Flying Our Colors" new license plates will be issued in each of the first two years they are available. The $25 initial fee will produce a projected $61,250 in revenue in FY 2021 and FY 2022 for deposit into the Flood Mitigation Fund. The annual $10 fee will also produce additional income for the Flood Mitigation Fund of $17,500 in FY 2022 and $35,000 for FY 2023 and each succeeding fiscal year.

Fiscal Impacts

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	Preserve Whitetail Deer Sales Tax	$ 0.0	$ -0.2	$ 0.0	$ 0.0	$ 0.0	$ 0.0
III	Net Operating Loss	0.0	-1.0	-1.0	-1.1	-1.1	-1.1
VIII	Business Interest Expense	0.0	-6.2	-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	School Tuition Organization Tax Credit Increase	0.0	0.0	0.0	-1.0	-2.5	-4.1
XI	Corporate School Tuition Organization 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
XVI	Federal Stimulus Tax Refund Exemption	0.0	0.0	0.0	0.0	0.0	0.0
XVII	Entity-Level Income Tax Paid	0.0	-4.2	-4.2	-4.3	-4.3	-4.4
XVIII	Iowa Small Business Relief Grants Exemption	0.0	-1.3	0.0	0.0	0.0	0.0
XX	529 Plan Apprenticeship Programs	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
XXIII	Personal Protective Equipment Sales Tax Exemption	-3.6	-1.8	0.0	0.0	0.0	0.0
XXVI	Rural Improvement Zone Expansion	0.0	0.0	0.0	0.0	0.0	0.0
XXVII	Enterprise Zone Tax Credit Transfer	0.0	-0.2	-0.2	0.0	0.0	0.0
	Total	$ -4.5	$ -41.9	$ -21.2	$ -26.9	$ -34.2	$ -38.3

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.

The creation of a new "Flying Our Colors" license plate will increase Flood Mitigation Fund income. The $25 initial fee for the plate will produce a projected $61,250 in revenue in FY 2021 and FY 2022 for deposit into the Flood Mitigation Fund. The annual $10 fee will also produce additional income for the Fund of $17,500 in FY 2022 and $35,000 for FY 2023 and each succeeding fiscal year.

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
House File 2620 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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