

**EIGHTY-NINTH GENERAL ASSEMBLY  
2021 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

**February 9, 2021**

**Clip Sheet Summary**

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

<b>Bill</b>	<b>Amendment</b>	<b>Action</b>	<b>Sponsor</b>
-------------	------------------	---------------	----------------

No amendments filed on February 8, 2021

**Fiscal Notes**

[SF 169](#) — [Promotional Play](#) (LSB1453SV)

[SF 183](#) — [Guaranteed Maximum Price Contracts, Public Improvements](#) (LSB1182SV.1)

[SF 230](#) — [Vehicle Salvage Title](#) (LSB1685SV)

[SF 242](#) — [Burglary, Sex Abuse](#) (LSB1323SV)

[SF 243](#) — [Death or Incapacitating Injury, Failure to Report](#) (LSB1031SV)

[SF 244](#) — [Probate Fees](#) (LSB1242SV)

[SF 253](#) — [Sexual Abuse, Second Degree, Definition](#) (LSB1326SV)

[SF 258](#) — [Extra Bonding Capacity, School Resource Officers](#) (LSB2136SV)

[SF 265](#) — [Repeat Grade Level, Parental Discretion](#) (LSB1686SV)



---

[SF 169](#) – Promotional Play (LSB1453SV)

Staff Contact: Angel Banks-Adams (515.281.6301) [angel.banks-adams@legis.iowa.gov](mailto:angel.banks-adams@legis.iowa.gov)

Fiscal Note Version – New

---

### **Description**

[Senate File 169](#) amends the definition of adjusted gross receipts (AGR) to include all promotional play receipts on gambling games from the beginning of FY 2022 to the end of FY 2024. During this time period, the Bill imposes a new graduated tax rate on promotional play receipts by multiplying an adjusted percentage by the State wagering tax applicable to the licensed gaming entity, with a complete phaseout of the tax on promotional play receipts by July 1, 2024 (FY 2025).

Additionally, the Bill amends application requirements for a license to operate a gambling game operation on an excursion gambling boat by providing that promotional play receipts on sports wagering are to be included in the calculation for the total annual purses for all horse racing. Under current law, total annual purses for all horse racing include 4.0% of sports wagering net receipts and no less than 11.0% of the first \$200.0 million of net receipts, and 6.0% of net receipts above \$200.0 million.

The Bill also removes promotional receipts from the definition of sports wagering net receipts. For horse agreements subject to Iowa Racing and Gaming Commission approval concerning purses for horse racing beginning on or after January 1, 2006, the Bill provides that promotional play receipts on sports wagering are included in the total annual purses for all horse racing.

### **Background**

Current gambling revenues are taxed by the State based on AGR from gambling games. Under current law, AGR includes promotional play receipts until the date in any fiscal year that the wagering tax on promotional play receipts exceeds \$25.8 million.

Iowa Code section [99F.1](#) defines promotional play receipts as the total sums wagered on gambling games with tokens, chips, electronic credits, or other forms of cashless wagering provided by the licensee without an exchange of money. From FY 2017 to FY 2019, total promotional play receipts (both taxed and exempt from taxation after the \$25.8 million tax receipts threshold was met) comprised 8.4% of all AGR for Iowa casinos. In FY 2020, total promotional play was at its lowest (\$94.5 million and 8.1% of all AGR for Iowa casinos) due to the two-month casino closures as a result of the COVID-19 pandemic. The first \$1.0 million in gross receipts is taxed at a rate of 5.0%, and the next \$2.0 million in gross receipts is taxed at a rate of 10.0%.

The tax rate imposed on AGR that exceed the first \$3.0 million is calculated on an individual fiscal year basis as follows:

- Licensees of a gambling entity with a racetrack enclosure claiming AGR of \$100.0 million or more are taxed at a rate of 24.0%.
- All other licensees (those without a racetrack enclosure or claiming less than \$100.0 million in AGR) are taxed at a rate of 22.0%.

There are currently 19 State-licensed gambling entities operating in Iowa. Of these 19 entities, 2 are taxed at 24.0% and 17 are taxed at 22.0%.

Iowa Code section [8.57](#)(5) distributes the majority of the State wagering tax to several State funds in a prioritized order (**Table 1**). The first \$139.8 million is allocated to the first five funds. State wagering taxes that are in excess of \$139.8 million are deposited into the Rebuild Iowa Infrastructure Fund (RIIF).

**Table 1**  
**Distribution of State Wagering Taxes**  
**in Accordance with Iowa Code section 8.57(5)**  
(Dollars in Millions)

<u>State Funds</u>	<u>Actual FY 2019</u>	<u>Actual FY 2020</u>	<u>Estimated FY 2021</u>	<u>Estimated FY 2022</u>
Revenue Bonds Debt Service Fund	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0
Federal Subsidy Holdback Fund	3.8	3.8	3.8	3.8
Vision Iowa Fund	15.0	15.0	0.0	0.0
Water Quality Infrastructure Fund	0.0	0.0	15.0	15.0
General Fund	0.0	2.3	2.3	2.3
Skilled Worker Job Creation Fund	66.0	63.8	63.8	63.8
Rebuild Iowa Infrastructure Fund	151.6	91.3	143.7	143.7
<b>Total</b>	<b>\$ 291.4</b>	<b>\$ 231.0</b>	<b>\$ 283.4</b>	<b>\$ 283.4</b>

Note: Numbers may not equal totals due to rounding.

In addition to the allocation of State wagering taxes discussed above, Iowa Code section [99F.11](#)(3) allocates a portion of State wagering taxes as follows (**Table 2**):

- 0.5% of AGR tax to the county where a casino is located.
- 0.5% of AGR tax to the city where a casino is located.
- 0.8% of AGR tax to the County Endowment Fund. The proceeds of this Fund are distributed equally to counties that do not have a licensed casino for funding charitable organizations.
- 0.2% of AGR tax for several specified purposes: Of the amount collected, the first \$520,000 is allocated to the Department of Cultural Affairs (DCA) for cultural grants and operations. Of the amount remaining, 50.0% is allocated to the Iowa Economic Development Authority (IEDA) for tourism marketing, and the other 50.0% is allocated to the RIIF. The wagering taxes allocated to the DCA and IEDA are first deposited into the General Fund before being appropriated back to those departments.

**Table 2**  
**Allocation of State Wagering Taxes**  
**in Accordance with Iowa Code section 99F.11(3)**  
(Dollars in Millions)

Allocations	Actual FY 2019	Actual FY 2020	Estimated FY 2021	Estimated FY 2022
Cities and Counties	\$ 14.6	\$ 11.6	\$ 14.2	\$ 14.2
County Endowment Fund	11.7	9.3	11.4	11.4
Cultural Grants and Tourism	1.7	1.4	1.7	1.7
Rebuild Iowa Infrastructure Fund	1.2	0.9	1.2	1.2
<b>Total</b>	<b>\$ 29.2</b>	<b>\$ 23.2</b>	<b>\$ 28.5</b>	<b>\$ 28.5</b>

Note: Numbers may not equal totals due to rounding.

Iowa Code section [99F.5](#) requires an operating agreement between a licensee of a gambling entity and a Qualified Sponsoring Organization (QSO), which is organized as a nonprofit corporation. The statute requires that the agreement provide for a minimum distribution of funds for educational, civic, public, charitable, patriotic, or religious uses that averages at least 3.0% of the AGR per year. The terms of the agreements between the operators and the QSOs throughout the State will vary.

The State taxes all sports wagering net receipts, including promotional play, at 6.75%. The tax receipts are deposited into the Sports Wagering Receipts Fund and are estimated to total \$3.2 million in FY 2021. The proceeds of the Sports Wagering Receipts Fund are available for appropriation by the General Assembly. For FY 2021, the General Assembly appropriated \$1.5 million from the Fund to the Department of Public Health for gambling and substance-related disorder treatment.

**Assumptions for Promotional Play on Gambling Games**

- Annual AGR for FY 2021 and FY 2022 will total \$1.420 billion and are based on the State wagering tax estimates established by the Revenue Estimating Conference (REC) in December 2020. Total AGR, including promotional play receipts, totaled \$1.163 billion in FY 2020. Adjusted gross receipts are projected to increase by 0.5% per year from FY 2022 to FY 2025.
- It is assumed that taxed promotional play receipts will average approximately 8.2% of AGR for FY 2021 through FY 2025.
- Under current law, the State will continue to collect State wagering taxes on promotional play receipts at the statutory maximum of \$25.8 million annually.
- The base tax rate on promotional play receipts will be 22.0% for the projected years and will be reduced by the adjusted percentage specified in SF 169 as follows:
  - FY 2022: 16.5% (75.0% of the base tax rate)
  - FY 2023: 11.0% (50.0% of the base tax rate)
  - FY 2024: 5.5% (25.0% of the base tax rate)
  - FY 2025: Repeal of promotional play taxation

**Fiscal Impact**

The phaseout of the tax on promotional play receipts as proposed in SF 169 would result in an estimated reduction in State wagering taxes beginning in FY 2022 of \$6.5 million and increasing to \$25.8 million by FY 2025. **Table 3** shows the estimated revenue reduction by fiscal year to State programs and cities and counties with domiciled casinos.

**Table 3**  
**Estimated Impact of SF 169 on State Wagering Taxes**

	FY 2022	FY 2023	FY 2024	FY 2025
<b><u>Current Law</u></b>				
State Programs				
RIIF	\$ 143,690,000	\$ 145,145,000	\$ 146,609,000	\$ 148,079,000
County Endowment Fund	11,357,000	11,413,000	11,470,000	11,528,000
0.2% AGR - IEDA & DCA	1,680,000	1,687,000	1,694,000	1,701,000
0.2% AGR - RIIF	1,160,000	1,167,000	1,174,000	1,181,000
Cities and Counties	<u>14,196,000</u>	<u>14,267,000</u>	<u>14,338,000</u>	<u>14,410,000</u>
Total	<u>\$ 172,083,000</u>	<u>\$ 173,679,000</u>	<u>\$ 175,285,000</u>	<u>\$ 176,899,000</u>
<b><u>SF 169</u></b>				
State Programs				
RIIF	\$ 137,821,000	\$ 133,409,000	\$ 129,004,000	\$ 124,606,000
County Endowment Fund	11,122,000	10,944,000	10,766,000	10,589,000
0.2% AGR - IEDA & DCA	1,650,000	1,628,000	1,606,000	1,584,000
0.2% AGR - RIIF	1,130,000	1,108,000	1,086,000	1,064,000
Cities and Counties	<u>13,902,000</u>	<u>13,680,000</u>	<u>13,458,000</u>	<u>13,236,000</u>
Total	<u>\$ 165,625,000</u>	<u>\$ 160,769,000</u>	<u>\$ 155,920,000</u>	<u>\$ 151,079,000</u>
<b><u>Impact of SF 169</u></b>				
State Programs				
RIIF	\$ -5,869,000	\$ -11,736,000	\$ -17,605,000	\$ -23,473,000
County Endowment Fund	-235,000	-469,000	-704,000	-939,000
0.2% AGR - IEDA & DCA	-30,000	-59,000	-88,000	-117,000
0.2% AGR - RIIF	-30,000	-59,000	-88,000	-117,000
Cities and Counties	<u>-294,000</u>	<u>-587,000</u>	<u>-880,000</u>	<u>-1,174,000</u>
<b>Total Impact of SF 169</b>	<b><u>\$ -6,458,000</u></b>	<b><u>\$ -12,910,000</u></b>	<b><u>\$ -19,365,000</u></b>	<b><u>\$ -25,820,000</u></b>

**Assumptions for Promotional Play on Sports Wagering**

- The sports wagering tax rate of 6.75% applies to sports wagering promotional play.
- The sports wagering promotional play receipts as of January 24, 2021, total \$8.0 million. When annualized for FY 2021, sports wagering promotional play receipts are estimated to be \$13.7 million. The tax amount collected on sports wagering promotional play receipts for FY 2021 is estimated to be approximately \$925,000.
- Sports wagering promotional play receipts on sports wagering are estimated to grow at an annual rate of 3.0% from FY 2022 to FY 2025.

**Fiscal Impact**

Senate File 169 is estimated to reduce tax revenue to the Sports Wagering Receipts Fund by the following amounts:

**Table 4**  
**Estimated Impact of SF 169 on Sports**  
**Wagering Promotional Play Receipts**

	<b>Estimated Sports Wagering Promotional Play Receipts</b>	<b>Revenue Reduction</b>
FY 2021	\$ 13,700,000	\$ -924,750
FY 2022	14,111,000	-952,493
FY 2023	14,534,000	-981,045
FY 2024	14,970,000	-1,010,475
FY 2025	15,419,000	-1,040,783

**Sources**

Iowa Racing and Gaming Commission  
LSA calculations

\_\_\_\_\_  
/s/ Holly M. Lyons

February 4, 2021

Doc ID 1210738

---

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

---

www.legis.iowa.gov



---

[SF 183](#) – Guaranteed Maximum Price Contracts, Public Improvements (LSB1182SV)  
Staff Contact: Adam Broich (515.281.8223) [adam.broich@legis.iowa.gov](mailto:adam.broich@legis.iowa.gov)  
Fiscal Note Version – As passed by the Senate

---

## **Description**

[Senate File 183](#) consists of two divisions that do the following:

### **Division I**

- Prohibits the Iowa Board of Regents from entering into a design-build contract to construct, repair, or improve buildings or grounds. This prohibition does not apply to projects that are currently under contract. Provisions of Division I that amend Iowa Code section [262.34](#) are effective immediately.
- Prohibits governmental entities from utilizing the fee-based selection of an architect, landscape architect, or engineer for a public improvement.

### **Division II**

- Adopts new definitions for “construction manager-at-risk,” “governmental entity,” “guaranteed maximum price contract,” and other terms.
- Authorizes a governmental entity to enter into a guaranteed maximum price contract for the construction of a public improvement.
- Adopts procedures and requirements for public entities that are pursuing a guaranteed maximum price contract. These procedures include public disclosures, a request for qualifications, a request for proposal, and the selection of bid winners.
- Prohibits all governmental entities from entering into a design-build contract for the construction of a public improvement.
- Prohibits governmental entities from entering into a guaranteed maximum price contract for public improvements relating to highway, bridge, or culvert construction.

## **Background**

With the exception of the Board of Regents, all current public improvement projects are completed using a process that requires governmental entities to bid projects using a design-bid-build contract.

The Board of Regents currently uses both design-bid-build and design-build contracts. The Board has completed or initiated a total of 14 contracts using design-build to develop projects. As of February 2021, the Board had completed seven projects using design-build. These projects are listed in **Table 1**.

**Table 1 — Board of Regents Projects Completed Under Design-Build**

Institution	Project	Completion	Budget
Iowa	Hawkeye Tennis and Recreation Complex	Dec. 2014	\$15,000,000
Iowa	Biomedical Research Support Facility	Dec. 2015	33,868,000
Iowa	Elizabeth Catlett Residence Hall	Jun. 2017	95,000,000
Iowa	Chilled Water Plant 2 (West)	Jul. 2018	5,200,000
Iowa	Hancher Footbridge	Aug. 2018	3,200,000
Iowa State	Gregory L. Geoffroy Hall	Dec. 2016	49,500,000
Iowa State	Poultry Farm	Spring 2020	5,750,000
Iowa State	Gerdin Business Building	Fall 2020	28,000,000
Northern Iowa	McElroy Hall	Aug. 2001	2,000,000

The Board is also planning or currently working on seven projects that will use design-build. These projects are reflected in **Table 2**.

**Table 2 — Ongoing Board of Regents Projects Under Design-Build**

Institution	Project	Scheduled Completion	Phase	Budget
Iowa	Oakdale Studio	Dec. 2021	Construction	\$ 2,500,000
Iowa	Women's Soccer	Fall 2021	Construction	\$ 3,900,000
Iowa State	Curtiss Farm-Feed Mill and Grain Science	Summer 2021	Select DB	21,200,000
Iowa State	Veterinary Diagnostic Lab	Summer 2023	RPF for DB	75,000,000
Iowa State	Industrial and Manufacturing Sys. Engin.	tbd.	Programming	40,000,000
Iowa State	LeBaron Hall	Summer 2024	Programming	55,000,000
Iowa State	Utilities Power Plant	Jun. 2023	Programming	14,000,000
Iowa State	Veterinary Diagnostic Lab - Addition	tbd.	Programming	62,400,000

### **Assumptions**

- Allowing public entities to enter into guaranteed maximum price contracts may allow additional flexibility when designing public improvement projects. The extent to which governmental entities may use these agreements and the impact of them is unknown.
- Prohibiting the use of design-build may impact expenses for future Board projects by an unknown amount. The extent to which the Board of Regents may use guaranteed maximum price contracts and the impact of them is unknown.

### **Fiscal Impact**

Prohibiting the use of design-build will have an unknown impact on Board of Regents building projects. The fiscal impact of allowing all public entities to enter into guaranteed maximum price contracts cannot be determined at this time.



**Sources**

Iowa Board of Regents  
Legislative Services Agency

/s/ Holly M. Lyons

---

February 8, 2021

Doc ID 121130611306

---

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

---

[www.legis.iowa.gov](http://www.legis.iowa.gov)



---

[SF 230](#) – Vehicle Salvage Title (LSB1685SV)  
Staff Contact: Austin Brinks (515.725.2200) [austin.brinks@legis.iowa.gov](mailto:austin.brinks@legis.iowa.gov)  
Fiscal Note Version – New

---

**Description**

[Senate File 230](#) increases the threshold for the cost of repair to a damaged vehicle in order for the vehicle to be deemed wrecked or salvage from 50.0% to 70.0% of the vehicle's fair market value.

**Background**

Currently, a vehicle is deemed wrecked or salvage if the cost to repair the vehicle exceeds 50.0% of the vehicle's fair market value. Before the owner of a repaired vehicle can be issued a vehicle registration to operate the vehicle on public highways, the vehicle must undergo a salvage theft examination by a peace officer certified by the Iowa Law Enforcement Academy (ILEA). Under Iowa Code section [321.52\(4\)\(d\)](#), the purpose of the examination is to determine whether the vehicle or repair components have been stolen and not whether a car is safe to operate. The current cost of an examination is \$50. The local agency performing the examination retains \$40; the remaining \$10 is split evenly between the Road Use Tax Fund (RUTF) and the General Fund. The moneys in the General Fund are to be used by the ILEA to provide for the training and certification of officers performing salvage theft examinations. County treasurers are also authorized under Iowa Code section [321.152\(1\)\(b\)](#) to retain \$2.50 for each certificate of salvage title issued. In calendar year 2019, there were 48,783 salvage vehicle titles issued. CY 2019 is used for this calculation due to the pandemic.

**Assumptions**

- The number of salvage theft examinations that will be completed annually beginning in FY 2022 will total 48,700, which is similar to the number completed in CY 2019.
- Sixty percent of the vehicles issued a salvage title will be valued between 50.0% and 70.0% of the fair market value, resulting in 29,000 fewer vehicles receiving salvage theft examinations and salvage titles.

**Fiscal Impact**

Senate File 230 would decrease total State revenues by \$290,000 annually, which would be split evenly between the RUTF and the ILEA. In addition, there would be an estimated decrease in fee revenue to the local law enforcement agencies that perform the examinations of \$1.2 million and an estimated decrease to counties of \$73,000.

The Department of Transportation also estimates \$7,000 for labor costs associated with information technology development that would be funded with the Department's existing resources.

**Sources**

Iowa Department of Transportation  
LSA calculations

/s/ Holly M. Lyons

---

February 3, 2021

Doc ID 1211424

---

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

---

[www.legis.iowa.gov](http://www.legis.iowa.gov)



---

[SF 242](#) – Burglary, Sex Abuse (LSB1323SV)  
Staff Contact: Christin Mechler (515.250.0458) [christin.mechler@legis.iowa.gov](mailto:christin.mechler@legis.iowa.gov)  
Fiscal Note Version – New

---

### **Description**

[Senate File 242](#) establishes that a person convicted of sexual abuse committed during a burglary shall, in addition to any other punishment provided, also be sentenced to a special sentence committing the person into the lifetime custody of the Director of the Department of Corrections (DOC), with eligibility for parole as provided in Iowa Code chapter [906](#). Under current law, a person commits burglary in the first degree, a Class B felony under Iowa Code section [713.3](#), if, while perpetrating the burglary in or upon an occupied structure where one or more individuals reside, the person performs or participates in a sex act that constitutes sexual abuse under Iowa Code section [709.1](#).

A person who commits sexual abuse during a burglary is classified as a Tier III sex offender under Iowa Code section [692A.102](#)(1)(c)(17), and is required to register as such.

### **Background**

Current law provides that a person convicted of a Class C felony or greater under Iowa Code chapter [709](#) (Sexual Abuse), or a Class C felony under Iowa Code section [728.12](#) (Sexual Exploitation of a Minor), shall be sentenced to a special sentence committing the person into the lifetime custody of the Director of the DOC, with eligibility for parole as provided in Iowa Code chapter 906.

A sex offender who has been sentenced to a special sentence under Iowa Code section [903B.1](#) is required to register on the Sex Offender Registry for a period equal to the term of the special sentence.

Under current law, a Class B felony is punishable by confinement of no more than 25 years.

### **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.
- The average daily marginal cost per offender under a special sentence is assumed to be \$7.05 per day.

### **Correctional Impact**

Senate File 242 expands the penalty associated with the crime of first-degree burglary by requiring an offender to be sentenced to a special sentence if, during the commission of the crime, the offender performs or participates in a sex act that constitutes sexual abuse. The DOC expects the impact of SF 242 to be minimal as crimes involving burglary in the first degree

and concurrent sexual abuse occur infrequently. Although the average daily marginal cost to supervise an individual under a special sentence is approximately 31.0% higher, at a cost of \$7.05 daily rather than \$5.38 daily, the DOC estimates that the fiscal impact of SF 242 will be minimal as it is current practice to place individuals who commit crimes of such nature under special supervision.

**Table 1** 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 Class B felonies. In FY 2020, there were two convictions of sexual abuse committed during a burglary, and both of these convicted individuals had already been placed under a lifetime special sentence due to their previous sex-crime-related convictions. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 22, 2021, for information related to the correctional system.

**Table 1 — Sentencing Estimates and Length of Stay (LOS)**

Conviction Offense Class	Percent to Prison	Avg Length of Stay Prison (months)	FY 20 Marginal Cost Per Day Prison	Percent Ordered to Probation	Avg LOS on Probation	Avg Cost Per Day on Probation	Percent Sentenced to CBC Residential Facility	FY 20 Marginal Cost CBC Per Day	Percent Ordered to County Jail	Avg Length of Stay in County Jail	Marginal Cost Per Day	Avg LOS on Parole	FY 20 Average Cost Per Day Parole
Class B Felony (Persons)	93.0%	85.3	\$20.33	6.6%	38.7	\$5.38	4%	\$14.78	57.9%	N/A	\$50.00	33.2	\$5.38

**Minority Impact**

The minority impact of SF 242 is as follows: African Americans comprised 4.1% of the adult population of the State in FY 2020 and 33.3% of the convictions under Iowa Code section [713.3](#) offenses in FY 2020. This exceeds the population proportion of the State, which would lead to a racial impact if trends remain constant. Due to low numbers of other minority populations, the impact on those populations cannot be assessed. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 27, 2021, for information related to minorities in the criminal justice system.

**Fiscal Impact**

The fiscal impact of SF 242 cannot be estimated. The Bill expands the penalty associated with an existing offense, and the resulting cost to the justice system cannot be estimated.

**Table 2** shows estimates for the average State cost per offense class type. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the DOC for one additional conviction. The cost would be incurred across multiple fiscal years for prison and parole supervision.

**Table 2 — Average State Cost Per Offense Class Type**

Offense Class	Total Minimum Cost	Total Maximum Cost
Class B Felony (Persons)	\$ 12,700	\$ 35,800

**Sources**

Department of Corrections

Criminal and Juvenile Justice Planning Division, Department of Human Rights

\_\_\_\_\_  
/s/ Holly M. Lyons

February 4, 2021

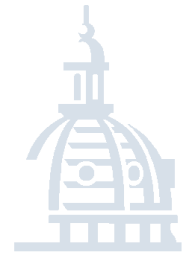
Doc ID 12116691211669

---

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

---

[www.legis.iowa.gov](http://www.legis.iowa.gov)



---

[SF 243](#) – Death or Incapacitating Injury, Failure to Report (LSB1031SV)  
Staff Contact: Laura Book (515.205.9275) [laura.book@legis.iowa.gov](mailto:laura.book@legis.iowa.gov)  
Fiscal Note Version – New

---

**Description**

[Senate File 243](#) relates to public safety including the crimes of failure to assist, abuse of a corpse, and interference with official acts, and provides penalties. The Bill expands the crime of abuse of a corpse to include when a person fails to disclose the known location of a corpse with the intent to conceal a crime.

Senate File 243 adds medical examiners to the list of authorities relating to the crime of interference with official acts. The Bill provides that a person commits interference with official acts when the person knowingly resists or obstructs anyone known by the person to be a medical examiner in the performance of any act which is within the scope of the medical examiner’s lawful duty or authority.

Senate File 243 also creates the crime of failure to assist. The Bill provides that a person who witnesses another person suffering from imminent danger of death or risk of serious bodily injury, who, unreasonably and without lawful cause, fails to immediately contact local emergency response authorities or local law enforcement, or both, as required by the circumstances, commits an aggravated misdemeanor.

**Background**

Under current law, the crime of abuse of a corpse is a Class D felony punishable by confinement for no more than five years and a fine of at least \$1,025 but not more than \$10,245, and the crime of interference with official acts is a simple misdemeanor and includes a fine of not less than \$250. An aggravated misdemeanor, as applied in this Bill to the crime of failure to assist, is punishable by confinement for no more than two years and a fine of at least \$855 but not more than \$8,540.

**Assumptions**

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); 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.

**Correctional Impact**

Senate File 243 expands the crime of abuse of a corpse and interference with official acts to include new actions, and creates the crime of failure to assist. Due to a lack of existing data for these expanded and new crimes, a correctional impact cannot be estimated. **Table 1** provides estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of aggravated misdemeanors and Class D felonies. The LOS data is not

applicable to simple misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 22, 2021, for information related to the correctional system.

**Table 1 — LOS and Sentencing Estimates**

Conviction Offense Class	Percent to Prison	Avg Length of Stay Prison (months)	FY 20 Marginal Cost/Day Prison	Percent Ordered to Probation	Avg LOS on Probation	Avg Cost Per Day on Probation	Percent Sentenced to CBC Residential Facility	FY 20 Marginal Cost CBC Per Day	Percent Ordered to County Jail	Avg Length of Stay in County Jail	Marginal Cost Per Day	Avg LOS on Parole	FY 20 Average Cost Per Day Parole
Class D Felony (Persons)	77.0%	16.0	\$20.33	47.8%	30.5	\$5.38	10.5%	\$14.78	38.6%	N/A	\$50.00	11.5	\$5.38
Aggravated Misdemeanor (Persons)	43.0%	7.1	\$20.33	51.7%	20.2	\$5.38	3.3%	\$14.78	70.7%	N/A	\$50.00	6.0	\$5.38

**Minority Impact**

Senate File 243 expands the definition of abuse of a corpse and interference with official acts to include new actions not previously criminalized, and establishes the crime of failure to assist. As a result, the Criminal and Juvenile Justice Planning Division (CJJP) of the Department of Human Rights cannot use prior existing data to estimate the minority impact of SF 243. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 27, 2021, for information related to minorities in the criminal justice system.

**Fiscal Impact**

Senate File 243 expands the definition of abuse of a corpse and interference with official acts and establishes the crime of failure to assist, and the fiscal impact cannot be estimated due to the lack of existing conviction data. **Table 2** contains cost estimates for the average State cost per offense class type for one conviction. The cost estimate includes operating costs incurred by the Judicial Branch, the State Public Defender, and the Department of Corrections for one conviction. The cost would be incurred across multiple fiscal years for prison and parole supervision.

**Table 2 — Average State Cost Per Offense Class Type**

Offense Class	Total Cost	
	Minimum	Maximum
Serious Misdemeanor	\$ 410	\$ 7,500
Aggravated Misdemeanor	3,700	7,800
Class D Felony	7,700	13,500

The new and expanded offenses in SF 243 may also result in an increase in fine and surcharge revenue, but the impact is unknown.



**Sources**

CJJP, Department of Human Rights  
Judicial Branch  
Department of Corrections

/s/ Holly M. Lyons

---

February 8, 2021

Doc ID 1211697

---

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

---

[www.legis.iowa.gov](http://www.legis.iowa.gov)



---

[SF 244](#) – Probate Fees (LSB1242HV)  
Staff Contact: Laura Book (515.205.9275) [laura.book@legis.iowa.gov](mailto:laura.book@legis.iowa.gov)  
Fiscal Note Version – New

---

**Description**

[Senate File 244](#) relates to the court costs that the clerk of probate court charges and collects in connection with probate matters. The Bill provides that the clerk of court shall charge and collect court costs based on the probate assets listed in the report and inventory for services performed in a decedent's estate administered by Iowa Code chapter [633](#) or [635](#). The court costs charged on the value of those assets shall be 0.2% of the value of the probate assets. In addition, the Bill excludes all nonprobate assets from the calculation of court costs.

Senate File 244 also provides that court costs shall not be charged or collected on assets transferred to an estate from a conservatorship that had been administered in the State and for which court costs have previously been charged and collected in the conservatorship. For services performed in a conservatorship, the clerk shall charge and collect court costs based on the gross value of the assets listed in the inventory minus the value of the life insurance. The Bill provides that the court costs charged on the value of those assets shall be 0.2% of the value of the assets.

Senate File 244 takes effect January 1, 2022. The Bill applies to conservatorships, court-administered trusts, guardianships, and estates of decedents for which the petition is filed and other probate matters in which filings are made and actions are taken on and after January 1, 2022.

**Background**

Under current law, Iowa Code section [633.31\(2\)\(k\)](#) provides a sliding scale fee for services performed in connection with the settlement of an estate based upon the value of the estate. The probate fees collected by clerks of court are deposited in the State General Fund pursuant to Iowa Code section [602.8108](#). In FY 2020, the revenue from fees on estate values under Iowa Code section 633.31(2)(k) was \$11.8 million. Currently, the value of the assets may include both probate and nonprobate assets for the purpose of calculating court costs.

**Assumptions**

- The removal of nonprobate assets will reduce the overall estate value subject to fees pursuant to Iowa Code section 633.31(2)(k) by at least 50.0%, reducing revenue by 50.0%.
- From FY 2015 to FY 2020, the revenue from fees charged pursuant to Iowa Code section 633.31(2)(k) decreased by a total of 7.9%, an average decline of 1.6% per year. In FY 2020, \$11.8 million was collected in fees on the estate value. This analysis assumes revenues will decline by 1.6% each year starting in FY 2021. The estimated FY 2021 probate fee revenue is \$11.6 million.
- The current fee on estate values in Iowa Code section 633.31(2)(k) equals \$50 for each \$25,000 in applicable estate values, or 0.002%. The estimated estate value required to produce the probate fee revenue is the actual or estimated fees collected divided by 0.002.

**Fiscal Impact**

Senate File 244 is estimated to reduce fee revenue to the General Fund by the amounts listed in the following table beginning FY 2022 through FY 2024.

**SF 244 — Estimated Change in Probate Fee Revenue**

**State General Fund**

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
SF 244	\$ 8,610,000	\$ 5,664,000	\$ 5,574,000
<u>Current Law</u>	<u>11,480,000</u>	<u>11,327,000</u>	<u>11,148,000</u>
Estimated Reduction	<u>\$ -2,870,000</u>	<u>\$ -5,663,000</u>	<u>\$ -5,574,000</u>

It is important to note that in recent years many probate attorneys have been filing motions in estate cases to exclude most or all the types of assets that this Bill will remove from the calculation of the estate value subject to probate fees. Some of the motions have been granted, but not all. Depending on how judges continue to rule on these motions going forward, the fiscal impact of this Bill may be less than initially estimated.

**Sources**

Judicial Branch  
LSA analysis

\_\_\_\_\_  
/s/ Holly M. Lyons

February 8, 2021

Doc ID 1211736736

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

\_\_\_\_\_  
www.legis.iowa.gov



---

**SF 253** – Sexual Abuse, Second Degree, Definition (LSB1326SV)  
Staff Contact: Christin Mechler (515.250.0458) [christin.mechler@legis.iowa.gov](mailto:christin.mechler@legis.iowa.gov)  
Fiscal Note Version – New

---

### **Description**

**Senate File 253** relates to sexual abuse in the second degree under Iowa Code section [709.3](#) and provides that such abuse includes sexual abuse of a child. Iowa Code section [702.5](#) defines a child as any person under the age of 14 years old. A person who commits sexual abuse in the second degree is guilty of a Class B felony.

The Bill also makes conforming changes relating to the Sex Offender Registry under Iowa Code section [692A.102](#) and relating to sexual abuse in the third degree under Iowa Code section [709.4](#).

### **Background**

Under current law, sexual abuse in the second degree occurs when such abuse includes a person under the age of 12.

A Class B felony is punishable by confinement of no more than 25 years. A Class C felony is punishable by confinement for no more than 10 years and a fine of at least \$1,370 but not more than \$13,600.

### **Assumptions**

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); 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.
- As a result of the modification of the age of a victim of sexual abuse in the second degree and subsequent conforming changes, the Department of Corrections (DOC) estimates that it is likely that the convictions of some offenders currently convicted of sexual abuse in the third degree will move to convictions of sexual abuse in the second degree. This would result in an increased length of stay for an offender.

### **Correctional Impact**

Senate File 253 modifies the definition of an existing crime and the full correctional impact cannot be determined at this time, as it remains unknown how many existing offenders will be moved from a Class C to Class B penalty or how many new convictions and prison admissions will occur.

**Table 1** below shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of Class B and Class C felonies (involving sex crimes). Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly,

[Cost Estimates Used for Correctional Impact Statements](#), dated January 22, 2021, for information related to the correctional system.

**Table 1— Sentencing Estimates and Length of Stay (LOS)**

Conviction Offense Class	Percent to Prison	Avg Length of Stay Prison (months)	FY 20 Marginal Cost Per Day Prison	Percent Ordered to Probation	Avg LOS on Probation	Avg Cost Per Day on Probation	Percent Sentenced to CBC Residential Facility	FY 20 Marginal Cost CBC Per Day	Percent Ordered to County Jail	Avg Length of Stay in County Jail	Marginal Cost Per Day	Avg LOS on Parole	FY 20 Average Cost Per Day Parole
Class B Felony (Sex Offense)	95.0%	285.2	\$20.33	9.4%	--	\$5.38	3.1%	\$14.78	15.6%	N/A	\$50.00	29.4	\$5.38
Class C Felony (Sex Offense)	91.0%	76.0	\$20.33	34.1%	50.0	\$5.38	5.5%	\$14.78	32.7%	N/A	\$50.00	7.2	\$5.38

**Minority Impact**

The minority impact of SF 253 is as follows: In FY 2020, there were 63 individuals convicted for the crime of sexual abuse in the third degree under Iowa Code section 709.4, and 23 individuals convicted for the crime of sexual abuse in the second degree under Iowa Code section 709.3. Of the total of 86 individuals, 27 people were African American. In FY 2020, Caucasians and African Americans made up 89.9% and 4.1% of the Iowa adult population, respectively. The conviction rate for African Americans exceeds the population proportion of the State, which would lead to a racial impact if trends remain constant. Due to low numbers of other minority populations, the impact on those populations cannot be assessed. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 27, 2021, for information related to minorities in the criminal justice system.

**Fiscal Impact**

Senate File 253 amends the age of a victim of sexual abuse for the conviction to be classified as sexual abuse in the second degree, which would likely lead to the convictions of some existing offenders currently convicted of sexual abuse in the third degree to move to convictions of sexual abuse in the second degree. This would result in an increased length of stay for an offender and increased supervision costs for the DOC.

Under current law, sexual abuse in the third degree carries a penalty of a Class C felony, and sexual abuse in the second degree carries a penalty of a Class B felony. The average LOS for a Class C felony is 76.0 months, while the average LOS for a Class B felony is approximately 258.0 months. An increased LOS will lead to increased supervision costs for the DOC over the course of incarceration. **Table 2** displays the estimated difference of DOC supervision costs for a Class B and Class C felony for one additional offender.

**Table 2 — Supervision Costs, Class B and C Felony, Sexual Abuse**

Offense Class Type	Penalty	Length of Stay (in months)	Cost Per Day	Total Cost
Sexual Abuse, 2nd Degree	Class B Felony	258.0	\$20.33	\$ 176,263
Sexual Abuse, 3rd Degree	Class C Felony	76.0	\$20.33	\$ 46,970
			<b>Difference</b>	<b>\$ 129,293</b>

The Bill modifies an existing criminal offense, and the resulting cost to the justice system cannot be estimated. **Table 3** shows estimates for the average State cost per offense class type. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the DOC for one additional conviction. The cost would be incurred across multiple fiscal

years for prison and parole supervision.

**Table 3 — Average State Cost Per Offense Class Type**

<b>Offense Class</b>	<b>Total Minimum Cost</b>	<b>Total Maximum Cost</b>
Class C Felony	\$9,900	\$19,200
Class B Felony	\$12,700	\$35,800

The modification of an existing offense and subsequent conforming changes established by SF 253 may also result in an increase in fine and surcharge revenue, but the impact is unknown.

**Sources**

Department of Corrections  
Criminal and Juvenile Justice Planning Division, Department of Human Rights  
Legislative Services Agency

/s/ Holly M. Lyons

---

February 8, 2021

Doc ID 1211677

---

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

---

www.legis.iowa.gov



---

**SF 258** – Extra Bonding Capacity, School Resource Officers (LSB2136SV)  
Staff Contact: Michael Guanci (515.725.1286) [michael.guanci@legis.iowa.gov](mailto:michael.guanci@legis.iowa.gov)  
Fiscal Note Version – New

---

**Description**

[Senate File 258](#) gives school districts the authority to raise additional amounts of property tax or income tax under the Instructional Support Program for certain expenses related to one school resource officer (SRO). The additional amount of funding for an SRO is to be adopted by board resolution under Iowa Code section [257.19](#).

**Background**

The Instructional Support Program was created by 1989 Iowa Acts, chapter [135](#) (School and Area Education Agency Financing), and the implementation of the Program began in FY 1992. The Program allows districts to increase their general fund budgets by up to 10.0% of the total regular program district cost. Districts may implement the Program for a five-year duration with local board approval (subject to a reverse referendum), or for 10 years with voter approval. For the FY 2021 budget year, 326 out of 327 school districts are participating in the Instructional Support Program. More information on Instructional Support can be found [here](#).

An SRO is not defined in Iowa Code. This Bill defines an SRO by reference to federal code in 34 U.S.C. § [10389](#). It is not known how many school districts currently employ an SRO under this definition. In general, a school district contracts for an SRO under an Iowa Code chapter [28E](#) agreement with a nearby political authority. Contracts vary by school district. For example:

- The Creston Community School District contracts with the City of Creston for an SRO on a full-time basis when school is in session. The contract stipulates that the district reimburse the City of Creston at 75.0% of the total cost for the SRO position. The hours, office facilities, equipment, and duties are specified in the contract. The SRO is a police department employee.
- The Prairie Valley Community School District contracts with the City of Gowrie for an SRO part-time on an hourly basis, which can vary between 5 and 25 hours per week depending on the school calendar. The cost for the SRO is based on an established hourly rate that includes salary, travel, and equipment, but does not cover benefits. The SRO is a police department employee.
- The Des Moines Independent Community School District contracts with the City of Des Moines for 10 SROs, splitting costs 50/50 based on a mutually approved budget with Des Moines. The SROs are police department employees.

**Assumptions**

- It is not known how many districts will pass board resolutions to increase property tax or income surtax to cover allowed expenses under the provisions of this Bill.
- School districts that pass board resolutions for allowable expenses for one SRO will increase property tax or income surtaxes under the Instructional Support Program.
- Allowable expenses for SROs will vary by district depending on a contract with the nearby political authority. Based on SRO contracts reviewed, this may range from an estimated \$15,000 to \$80,000 annually.

**Fiscal Impact**

- Under the provisions of this Bill, there is no fiscal impact to the State.
- The Bill may increase property taxes or income surtaxes; however, the extent is not currently known and will vary by school district.

**Sources**

Iowa Department of Education  
Iowa Association of School Boards  
Department of Management

\_\_\_\_\_  
/s/ Holly M. Lyons

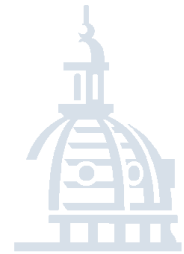
February 8, 2021

Doc ID 1211711

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

\_\_\_\_\_  
[www.legis.iowa.gov](http://www.legis.iowa.gov)





**SF 265** – Repeat Grade Level, Parental Discretion (LSB1686SV)  
 Staff Contact: Lora Vargason (515.725.2249) [lora.vargason@legis.iowa.gov](mailto:lora.vargason@legis.iowa.gov)  
 Fiscal Note Version – New

**Description**

**Senate File 265** temporarily provides for the 2021-2022 school year that if a parent submits a request prior to August 15, 2021, to a school district or a nonpublic school for the student to be retained at the student’s current grade level, the school district or nonpublic school will not promote the student to the next grade level if adequate academic progress was not made by the student in the 2020-2021 school year.

**Background**

There are a variety of approaches in determining grade promotion or retention of students, and policy making can take place through State legislation, by State education authorities, or by local education authorities. Examples of promotion and retention policies are as follows:

- Promotion gate policies, in which a student is expected to meet an established performance threshold before being promoted to the next grade.
- Use of an assessment to determine student eligibility for promotion or retention.
- The completion of remediation to meet proficiency levels.
- Requirement of a minimum number of attendance days.

In the State of Iowa, the determination to retain a student is a local decision and often involves decision making between the parent, teacher, and school administrators. For the history of recent State of Iowa legislation regarding grade retention, please read [here](#).

**Table 1** shows recent year history of student retention history by grade level.

	2016-2017			2019-2020			2020-2021		
	Student Enrollment	Number of Retained Students	Retention Percentage	Student Enrollment	Number of Retained Students	Retention Percentage	Student Enrollment	Number of Retained Students	Retention Percentage
Kindergarten	38,196	3,589	9.4%	39,832	3,646	9.2%	37,746	3,719	9.9%
Grade 1	36,017	120	0.3%	35,894	90	0.3%	35,244	108	0.3%
Grade 2	36,599	61	0.2%	35,274	37	0.1%	34,985	48	0.1%
Grade 3	37,888	25	0.1%	35,253	34	0.1%	34,590	16	0.0%
Grade 4	37,860	26	0.1%	36,360	11	0.0%	34,796	22	0.1%
Grade 5	37,312	22	0.1%	37,185	13	0.0%	35,942	21	0.1%
Grade 6	36,761	17	0.0%	38,547	26	0.1%	36,850	10	0.0%
Grade 7	36,379	26	0.1%	38,823	45	0.1%	38,495	29	0.1%
Grade 8	36,576	39	0.1%	38,189	35	0.1%	38,587	19	0.0%
Grade 9	37,224	330	0.9%	38,725	355	0.9%	38,993	280	0.7%
Grade 10	37,056	292	0.8%	37,614	277	0.7%	38,197	232	0.6%
Grade 11	36,831	264	0.7%	37,145	267	0.7%	36,752	183	0.5%
Grade 12	36,889	2,035	5.5%	37,013	1,875	5.1%	37,280	1,832	4.9%
<b>Total</b>	<b>481,588</b>	<b>6,846</b>	<b>1.4%</b>	<b>485,854</b>	<b>6,711</b>	<b>1.4%</b>	<b>478,457</b>	<b>6,519</b>	<b>1.4%</b>

**Fiscal Impact**

[State Foundation School Aid](#) provides funding to local school districts and area education agencies and is based on a per pupil formula. For FY 2021, the [State cost per pupil](#) is \$7,048. Any resulting increase in enrollment from an additional year of schooling for a student will result in an additional cost per student through the school aid formula. The number of additional students being retained cannot be determined. However, there may be an increase as a result of changes in school settings resulting from COVID-19.

**Sources**

Department of Education  
LSA calculations

/s/ Holly M. Lyons

---

February 8, 2021

Doc ID 1211763

---

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

---

[www.legis.iowa.gov](http://www.legis.iowa.gov)