

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

March 24, 2021

Clip Sheet Summary

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

Bill	Amendment	Action	Sponsor
SF 581	S-3093	Filed	TIM GOODWIN
HF 357	S-3094	Filed	COMMITTEE ON STATE GOVERNMENT, et al

Fiscal Notes

[SF 530](#) — [Credit Union Acquisition of Bank Assets](#) (LSB2079SV)

[SF 538](#) — [911 Service Charges](#) (LSB1996SV)

SENATE FILE 581

S-3093

- 1 Amend Senate File 581 as follows:
- 2 1. Page 1, line 3, by striking <two> and inserting <five>

By TIM GOODWIN

S-3093 FILED MARCH 23, 2021

HOUSE FILE 357

S-3094

1 Amend House File 357, as passed by the House, as follows:

2 1. Page 1, by striking lines 1 through 6 and inserting:

3 <Sec. ____ . NEW SECTION. 152C.10 Transfer of license
4 certificates prohibited.

5 1. A licensee shall not sell or transfer to another person a
6 license certificate issued to the licensee.

7 2. A person shall not purchase or otherwise claim ownership
8 of a license certificate issued to another person.>

9 2. Title page, line 3, after <abuse> by inserting <, and
10 making penalties applicable>

By COMMITTEE ON STATE GOVERNMENT

ROBY SMITH, CHAIRPERSON

S-3094 FILED MARCH 23, 2021



[SF 530](#) – Credit Union Acquisition of Bank Assets (LSB2079SV)
Staff Contact: Angel Banks-Adams (515.281.6301) angel.banks-adams@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 530](#) relates to financial institutions, including the assets, liabilities, and merger of State banks and State credit unions. The Bill makes the following changes:

- Prohibits a State bank from selling assets or liabilities to a State-chartered or federally chartered credit union as part of a plan for voluntary dissolution or transition to an Iowa Code chapter [490](#) corporation.
- Prohibits a bank from merging with a State-chartered or federally chartered credit union.
- Prohibits a State bank from selling assets and liabilities to a State-chartered or federally chartered credit union, or an associated organization, except for loan participations and real property.
- Authorizes a State bank to sell a portion of its assets and liabilities to a bank or other entity.
- Limits the authority of a State bank to sell loan participations or real property equal to or exceeding 25.0% of the value of the categorical assets to a State-chartered or federally chartered credit union. If the sale constitutes 25.0% of the value of the bank's loan participations or any of the bank's real property, and the sale is to a State-chartered or federally chartered credit union, the bank is required to submit an application to the Superintendent of Banking no less than 30 days prior to the sale.
- Limits the ability of a State-chartered credit union to merge with or purchase any assets or liabilities of a federally chartered, State-chartered, or out-of-state bank, except where authorized.
- Establishes a new prohibition on any sales other than loan participations and real property to State-chartered or federally chartered credit unions.

Background

At the end of FY 2020, one State-chartered credit union converted to a federally chartered credit union. In FY 2020, this credit union paid \$127,000 in assessments to the Iowa Credit Union Division (5.7% of all Credit Union Division fees collected in FY 2020). These fees were deposited into the Commerce Revolving Fund. State-chartered credit unions converting to federally chartered credit unions are not required to pay assessments to the Iowa Credit Union Division or to remit moneys and credits tax payments to the State of Iowa.

The moneys and credits tax on State credit unions is assessed at a rate of 0.5% on each dollar of the legal and special reserves that credit unions are required to maintain under Iowa Code section [533.303](#). Each State credit union receives an exemption in the amount of \$40,000.

The State share of moneys and credits tax payments remitted by credit unions is collected by the Iowa Department of Revenue and is deposited into the General Fund. Cities and counties also receive a percentage (30.0% and 20.0%, respectively) of the moneys and credits tax payments collected.

The table below shows the State share of moneys and credits tax payments remitted by credit unions for the past five fiscal years.

**Moneys and Credits Tax Payments
Deposited into General Fund
FY 2016 – FY 2020**

Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Deposit	\$826,541	\$735,574	\$960,956	\$1,312,605	\$2,836,664

Assumptions

- At least one State-chartered credit union has been identified that will convert to a federally chartered credit union. This credit union paid \$282,000 in assessments to the Iowa Credit Union Division (12.7% of all Credit Union Division fees collected in FY 2020).
- A State-chartered credit union can convert to a federally chartered credit union in one fiscal year. If a credit union does not convert until the end of a fiscal year, the Credit Union Division can collect the full assessment owed to the Division.

Fiscal Impact

The full fiscal impact to the Commerce Revolving Fund cannot be determined as it is not possible to estimate how many State-chartered credit unions will convert to federally chartered credit unions as a result of the Bill. The revenue decrease to the Fund is estimated to be at least \$280,000 due to the one identified State-chartered credit union that will convert to a federally chartered credit union. Additionally, the decrease to the General Fund, cities, and counties due to the loss in moneys and credits tax payments cannot be determined as legal and special reserves required to be maintained by State credit unions vary by credit union.

Sources

1/3 State Accounting System
LSA Fee Project
Iowa Credit Union Division, Department of Commerce

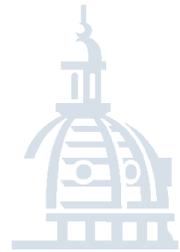
/s/ Holly M. Lyons

March 22, 2021

Doc ID 1216184

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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[SF 538](#) – 911 Service Charges (LSB1996SV)
Staff Contact: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 538](#) relates to 911 emergency telephone services, and makes several changes to the determination of how funds deposited in the 911 Service Fund may be distributed, the payment of costs associated with providing 911 services, and access to the Next Generation 911 Network.

The Bill eliminates 911 cost recovery by telephone providers by excluding costs that are associated with reimbursement to an originating service provider from incurred costs that may be paid for with funds deposited in the 911 Service Fund. The Bill also strikes the requirement that the 911 Program Manager allocate 10.0% of the total amount of generated wireless surcharge to wireless carriers in order to recover costs resulting from the delivery of E911 Phase 1 services.

Senate File 538 also removes the requirement that a local exchange service provider be compensated for providing certain kinds of information related to its subscribers and provides that these service providers pay all costs associated with recurring monthly 911 services.

Background

Under current law, funds deposited in the 911 Service Fund must be used for the payment of costs that are limited to nonrecurring and recurring costs directly attributable to the receipt and disposition of wireless and wireline 911 calls. Additionally, current law provides that local exchange service providers are to be compensated for providing certain information to the Next Generation 911 Network.

Assumptions

- Wireline calls represent approximately 20.0% of all 911 calls annually.
- Wireline cost recovery fees are not regulated or reported in the same manner as wireless calls. Utilizing the extrapolation of sample costs, the Department of Homeland Security and Emergency Management (HSEMD) estimates that in FY 2020, telephone providers recovered approximately \$3.3 million in costs for providing wireline 911 services. For estimating purposes, it is assumed that these costs will remain relatively constant in subsequent fiscal years.
- Wireless calls represent approximately 80.0% of all 911 calls annually. In FY 2020, telephone providers recovered approximately \$825,000 in costs for providing wireless 911 services. For estimating purposes, it is assumed that these costs will remain relatively constant in subsequent fiscal years.

Fiscal Impact

Senate File 538 eliminates the ability of telephone providers to recover costs related to providing 911 services on wireline and wireless calls. According to the HSEMD, eliminating the ability of telephone providers to recover costs related to 911 service on wireless calls would allow the Department to save approximately \$825,000 annually beginning FY 2022. Additionally, the Department estimates that eliminating the ability of telephone providers to recover costs related to 911 services on wireline calls would result in cost savings of approximately \$3.3 million annually in FY 2022. Total estimated savings related to both wireline and wireless calls is approximately \$4.1 million.

Sources

Department of Homeland Security and Emergency Management
LSA analysis

/s/ Holly M. Lyons

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Doc ID 1216705

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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