

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

**March 25, 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>
<a href="#">HF 384</a> .....	<a href="#">S-3095</a> .....	Filed	COMMITTEE ON STATE GOVERNMENT, et al

**Fiscal Notes**

[SF 295](#) — [Economic Assistance, Housing](#) (LSB1978SV)

[SF 297](#) — [Public Water Utility Corporate Tax Exemption](#) (LSB1291XS)

[SF 526](#) — [Access Centers](#) (LSB2586SV)

[HF 419](#) — [Driver's License Station Convenience Fee](#) (LSB1490HV.1)

HOUSE FILE 384

S-3095

1 Amend House File 384, as amended, passed, and reprinted by  
2 the House, as follows:

3 1. Page 1, after line 29 by inserting:

4 <Sec. \_\_\_\_\_. Section 123.36, subsection 6, Code 2021, is  
5 amended to read as follows:

6 6. Any club, hotel, motel, native distillery,  
7 passenger-carrying boat or ship, railway corporation, air  
8 common carrier, or commercial establishment holding a liquor  
9 control license, subject to section 123.49, subsection 2,  
10 paragraph "b", may apply for and receive permission to sell and  
11 dispense alcoholic beverages as authorized by section 123.30 to  
12 patrons between the hours of ~~8:00~~ 6:00 a.m. on Sunday and 2:00  
13 a.m. on the following Monday. For the privilege of selling  
14 beer, wine, and alcoholic liquor on the premises on Sunday the  
15 liquor control license fee of the applicant shall be increased  
16 by twenty percent of the regular fee prescribed for the license  
17 pursuant to this section, and the privilege shall be noted on  
18 the liquor control license.>

19 2. Page 1, before line 30 by inserting:

20 <Sec. \_\_\_\_\_. Section 123.43A, subsection 6, Code 2021, is  
21 amended to read as follows:

22 6. Notwithstanding any provision of this chapter to the  
23 contrary or the fact that a person is the holder of a class  
24 "A" native distilled spirits license, a native distillery  
25 which, combining all production facilities of the business,  
26 produces and manufactures not more than one hundred thousand  
27 proof gallons of native distilled spirits on an annual basis  
28 may sell those native distilled spirits manufactured on the  
29 premises of the native distillery for consumption on the  
30 premises by applying for a class "C" native distilled spirits  
31 liquor control license as provided in section 123.30. A  
32 native distillery may be granted not more than ~~one~~ two class  
33 "C" native distilled spirits liquor control ~~license~~ licenses.  
34 All native distilled spirits sold by a native distillery for  
35 on-premises consumption and mixed drinks or cocktails sold

1 for consumption off the premises shall be purchased from a  
2 class "E" liquor control licensee. A manufacturer of native  
3 distilled spirits may be issued a class "C" native distilled  
4 spirits liquor control license regardless of whether the  
5 manufacturer is also a manufacturer of beer pursuant to a class  
6 "A" beer permit or a manufacturer of native wine pursuant to a  
7 class "A" wine permit.

8 Sec. \_\_\_\_\_. Section 123.45, subsection 3, Code 2021, is  
9 amended to read as follows:

10 3. A person engaged in the wholesaling of beer or wine  
11 may sell only disposable glassware, which is constructed of  
12 paper, paper laminated, or plastic materials and designed  
13 primarily for personal consumption on a one-time usage  
14 basis, to retailers for use within the premises of licensed  
15 establishments, for an amount which is greater than or equal  
16 to an amount which represents the greater of either the amount  
17 paid for the disposable glassware by the supplier or the amount  
18 paid for the disposable glassware by the wholesaler. Also, a  
19 person engaged in the business of manufacturing beer may sell  
20 beer at retail for consumption on or off the premises of the  
21 manufacturing facility and, notwithstanding any other provision  
22 of this chapter or the fact that a person is the holder of a  
23 class "A" beer permit, may be granted not more than ~~one~~ two  
24 class "B" beer ~~permit~~ permits as defined in section 123.124  
25 for that purpose regardless of whether that person is also a  
26 manufacturer of native distilled spirits pursuant to a class  
27 "A" native distilled spirits license or a manufacturer of  
28 native wine pursuant to a class "A" wine permit.>

29 3. Page 2, line 25, by striking <8:00> and inserting <8:00  
30 6:00>

31 4. Page 3, by striking lines 3 and 4 and inserting <Monday  
32 through ~~Saturday, and between 8:00 a.m. and 10:00 p.m.~~ Sunday.>

33 5. Page 4, after line 10 by inserting:

34 <Sec. \_\_\_\_\_. Section 123.49, subsection 2, paragraph b, Code  
35 2021, is amended to read as follows:

1     *b.* Sell or dispense any alcoholic beverage on the premises  
2 covered by the license or permit, or permit its consumption  
3 thereon between the hours of 2:00 a.m. and 6:00 a.m. on a  
4 weekday, and between the hours of 2:00 a.m. on Sunday and 6:00  
5 a.m. on the following Monday, however, a holder of a liquor  
6 control license or retail wine or beer permit granted the  
7 privilege of selling alcoholic liquor, wine, or beer on Sunday  
8 may sell or dispense alcoholic liquor, wine, or beer between  
9 the hours of ~~8:00~~ 6:00 a.m. on Sunday and 2:00 a.m. on the  
10 following Monday.>

11     6. By striking page 4, line 32, through page 6, line 10, and  
12 inserting:

13     <(3) Mixed drinks or cocktails mixed on premises covered  
14 by a class "C" liquor control license or a class "C" native  
15 distilled spirits liquor control license for consumption  
16 off the licensed premises may be sold if the mixed drink or  
17 cocktail is immediately ~~sealed with a lid or other method~~  
18 ~~of securing the product~~ filled in a sealed container and is  
19 promptly taken from the licensed premises prior to consumption  
20 of the mixed drink or cocktail. A mixed drink or cocktail  
21 that is sold ~~and sealed~~ in a sealed container in compliance  
22 with the requirements of this subparagraph and rules adopted  
23 by the division shall not be deemed an open container subject  
24 to the requirements of sections 321.284 and 321.284A if the  
25 sealed container is unopened and the seal has not been tampered  
26 with, and the contents of the container have not been partially  
27 removed.

28     Sec. \_\_\_\_\_. Section 123.49, subsection 2, paragraph d, Code  
29 2021, is amended by adding the following new subparagraph:

30     NEW SUBPARAGRAPH. (4) For purposes of this paragraph:

31     (a) "*Sealed container*" means a vessel, including a  
32 substantial or sturdy plastic container and a vacuum or  
33 heat-sealed pouch, containing a mixed drink or cocktail  
34 that is designed to prevent consumption without removal of  
35 a tamper-evident lid, cap, or seal. "*Sealed container*" does

1 not include a container with a sipping hole or other opening  
2 for a straw, unless the hole or other opening includes a  
3 tamper-evident seal, but a straw may be separately provided  
4 with a sealed container to the consumer for off-premises  
5 consumption.

6 (b) "*Tamper-evident*" means a lid, cap, or seal that visibly  
7 demonstrates when a container has been opened.

8 Sec. \_\_\_\_\_. Section 123.134, subsection 4, Code 2021, is  
9 amended to read as follows:

10 4. Any club, hotel, motel, or commercial establishment  
11 holding a class "B" beer permit, subject to the provisions of  
12 section 123.49, subsection 2, paragraph "b", may apply for  
13 and receive permission to sell and dispense beer to patrons  
14 on Sunday for consumption on or off the premises between  
15 the hours of ~~8:00~~ 6:00 a.m. on Sunday and 2:00 a.m. on the  
16 following Monday. Any class "C" beer permittee may sell beer  
17 for consumption off the premises between the hours of ~~8:00~~ 6:00  
18 a.m. on Sunday and 2:00 a.m. on the following Monday. For the  
19 privilege of selling beer on Sunday the beer permit fees of the  
20 applicant shall be increased by twenty percent of the regular  
21 fees prescribed for the permit pursuant to this section and the  
22 privilege shall be noted on the beer permit.

23 Sec. \_\_\_\_\_. Section 123.150, Code 2021, is amended to read as  
24 follows:

25 **123.150 Sunday sales before New Year's Day.**

26 Notwithstanding section 123.36, subsection 6, section  
27 123.49, subsection 2, paragraph "b", and section 123.134,  
28 subsection 4, a holder of any class of liquor control license  
29 or the holder of a class "B" beer permit may sell or dispense  
30 alcoholic liquor, wine, or beer to patrons for consumption on  
31 the premises between the hours of ~~8:00~~ 6:00 a.m. on Sunday and  
32 2:00 a.m. on Monday when that Monday is New Year's Day and beer  
33 for consumption off the premises between the hours of ~~8:00~~ 6:00  
34 a.m. on Sunday and 2:00 a.m. on the following Monday when that  
35 Sunday is the day before New Year's Day. The liquor control

1 license fee or beer permit fee of licensees and permittees  
2 permitted to sell or dispense liquor, wine, or beer on a Sunday  
3 when that Sunday is the day before New Year's Day shall not be  
4 increased because of this privilege. The special privileges  
5 granted in this section are in force only during the specified  
6 times provided in this section.>

7 7. Page 6, after line 10 by inserting:

8 <Sec. \_\_\_\_\_. Section 123.130, subsection 2, Code 2021, is  
9 amended to read as follows:

10 2. Pursuant to section 123.45, subsection 3, a native  
11 brewery may be granted not more than ~~one~~ two class "B" beer  
12 ~~permit~~ permits as defined in section 123.124 for the purpose of  
13 selling beer at retail for consumption on or off the premises  
14 of the manufacturing facility.

15 Sec. \_\_\_\_\_. Section 123.176, subsection 5, Code 2021, is  
16 amended to read as follows:

17 5. Notwithstanding any other provision of this chapter, a  
18 person engaged in the business of manufacturing native wine may  
19 sell native wine at retail for consumption on the premises of  
20 the manufacturing facility by applying for a class "C" native  
21 wine permit as provided in section 123.178B. A manufacturer  
22 of native wine may be granted not more than ~~one~~ two class "C"  
23 native wine ~~permit~~ permits. A manufacturer of native wine may  
24 be issued a class "C" native wine permit regardless of whether  
25 the manufacturer is also a manufacturer of beer pursuant to a  
26 class "A" beer permit or a manufacturer of native distilled  
27 spirits pursuant to a class "A" native distilled spirits  
28 license.>

29 8. Title page, line 1, after <concerning> by inserting  
30 <native distilleries, beer manufacturers, native breweries, and  
31 native wine manufacturers,>

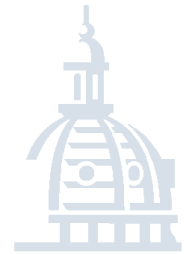
32 9. Title page, line 2, after <licenses> by inserting <,  
33 hours of sale of alcoholic beverages on Sunday,>

34 10. By renumbering as necessary.

S-3095 (Continued)

By COMMITTEE ON STATE GOVERNMENT  
ROBY SMITH, CHAIRPERSON

[S-3095](#) FILED MARCH 24, 2021



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[SF 295](#) – Economic Assistance, Housing (LSB1978SV)  
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Fiscal Note Version – New

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**Description**

[Senate File 295](#) expands upon and creates new tax credit, loan, and grant programs to incentivize housing options. A brief description by division is below and the following pages include assumptions and fiscal impact where it can be estimated.

DIVISION I — Creates an Iowa Housing Tax Credit Program to be administered by the Iowa Finance Authority (IFA). The new credit is subject to award by the IFA and is available to developers of qualified low-income housing projects under Internal Revenue Code section [42\(g\)](#) that are financed with tax-exempt bonds. The transferable tax credits may be applied to corporate income tax, individual income tax, bank franchise tax, insurance premium tax, or credit union moneys and credits tax. The maximum amount of credits that may be issued is \$15.0 million per calendar year, plus an amount equal to any unused or otherwise returned credits from previous award years. The Division takes effect January 1, 2022.

DIVISION II — Removes the \$3.0 million cap placed on the transfer of the real estate transfer tax receipts to the Housing Trust Fund effective July 1, 2022.

DIVISION III — Increases the annual limit on awarded Workforce Housing Tax Credits from \$25.0 million to \$50.0 million and increases the amount reserved for projects in small cities from \$10.0 million to \$20.0 million. The credit limit and reservation changes are effective for FY 2022 through FY 2024.

DIVISION IV — Creates a Downtown Loan Guarantee Program to be administered by the Iowa Economic Development Authority (IEDA) and the IFA. The Program is to encourage downtown businesses and banks to reinvest and reopen following the COVID-19 pandemic. The loan must finance an eligible downtown resources center [Community Catalyst Building Remediation Program](#) grant project or [Main Street Iowa Challenge Grant](#) within a designated district, and at least 25.0% of the project cost must be used for construction on the project or renovation. The loan must also contain a housing component. The Bill allows loan guarantee limits of 50.0% or less for a loan amount less than or equal to \$500,000, or a maximum guarantee of \$250,000 if a loan is more than \$500,000. The program can be funded through an appropriation or a transfer from any fund created and controlled by IEDA through Iowa Code section [15.106A](#).

Division IV is effective July 1, 2022.

DIVISION V — Creates a Disaster Recovery Housing Assistance Program and related Fund to be administered by the IFA. The program is for a forgivable loan and grant program for homeowners and renters with disaster-affected homes that are destroyed or damaged due to a natural disaster in a county that is the subject of a state of disaster emergency proclamation by the Governor. The Program also includes major disasters in Iowa recognized by the United States President after March 12, 2019, but before the effective date of the legislation.



Administrative rules will determine the amount of assistance for eligible applicants.

The Disaster Recovery Housing Assistance Program can be funded through an appropriation, a transfer of unobligated moneys from any fund created and controlled by IFA through Iowa Code section [16.5\(1\)\(s\)](#), a transfer from any fund created and controlled by IEDA through Iowa Code section [15.106A](#), and from the Senior Living Revolving Loan Program Fund, the Home and Community-Based Services Revolving Loan Program Fund, the Transitional Housing Revolving Loan Program Fund, and the Community Housing and Services for Persons with Disabilities Revolving Loan Program Fund.

The Disaster Recovery Housing Assistance Fund administered by the IFA may also allocate grants to the Eviction Prevention Program, created in the Bill, which can make rental assistance grants.

Division V is effective upon enactment.

DIVISION VI — Extends the Redevelopment Tax Credit Program (Brownfields and Grayfields) for 10 years and increases the annual award maximum from the current level of \$10.0 million to \$20.0 million. The changes also allow the Authority to award credits in excess of the \$20.0 million limit under certain circumstances. The program extension and the authority to exceed the annual award limit are effective upon enactment. The Bill extends the repeal date of the program from June 30, 2021, to June 30, 2031.

### **Division I**

#### **Background**

The Iowa Finance Authority currently administers a federal low-income housing program pursuant to [26 U.S.C. § 42](#). Projects approved for the Iowa Housing Tax Credit must meet the requirements of the federal program. The Authority is required to submit a report to the General Assembly by January 31 of each year that includes the number of qualified developments for which the Authority issued tax certificates the prior year, along with a description and relevant statistics for each qualified development.

#### **Assumptions**

Iowa Housing Tax Credit Program:

- The IEDA will award \$15.0 million in Iowa Housing Tax Credits each calendar year (CY), beginning with CY 2022.
- The IEDA is not required to award tax credits to every project in equal increments over the 10-year credit period. However, for this projection, it is assumed that the IEDA will choose to do so.
- Tax certificates are issued after projects are complete. It is assumed that 50.0% of projects will be completed in the fiscal year after the award and 50.0% will be completed in the following fiscal year.
- Since the tax credit amounts for a completed project are assumed to be divided into 10 annual allotments, the annual amounts for a project are assumed to be relatively small and therefore should be redeemed in a shorter time frame than other investment tax credits. It is assumed that once issued, the tax credits will be redeemed 40.0% in the year of issuance, 40.0% in the year after issuance, and 20.0% in the second year after issuance.

**Fiscal Impact**

Iowa Housing Tax Credit Program — The creation of a new Iowa Housing Tax Credit is projected to reduce net General Fund revenue by the following amounts:

- FY 2023 = \$0.3 million
- FY 2024 = \$1.2 million
- FY 2025 = \$2.6 million
- FY 2026 = \$4.1 million
- FY 2027 = \$5.6 million

The projected revenue reduction is estimated to continue to increase, reaching \$15.0 million for FY 2035 and after.

The IFA currently administers a similar federal housing tax incentive program. The IFA expects the administrative costs associated with administering awards under this new program to be covered by application fees.

**Division II**

**Background**

Real Estate Transfer Tax — The [real estate transfer tax](#) is imposed on the transfer of real estate in the State. The tax is equal to \$0.80 per \$500 (or any fractional part of \$500) of consideration paid as part of or a condition of the property transfer. As examples, the transfer of a \$1,200 property would incur a tax of \$2.40, while the transfer of a \$1.0 million property would incur a tax of \$1,600.

The tax is paid to the county. Iowa Code section [428A.8](#) controls the division of the tax revenue. The county retains 17.25% of the tax revenue for deposit in the county general fund. The county remits the remaining 82.75% to the State. The State portion is deposited as follows:

- 30.0% to the [Housing Trust Fund](#) up to a limit of \$3.0 million each fiscal year.
- 5.0% to the [Shelter Assistance Fund](#).
- 65.0% to the State General Fund plus any Housing Trust Fund revenue in excess of \$3.0 million.

The following table provides a history of real estate transfer tax deposits to State funds for the past four fiscal years.

<b>Real Estate Transfer Tax Revenue, State Portion</b>				
In Millions				
<u>Fund</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Housing Trust Fund	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0
Shelter Assistance Fund	1.1	1.2	1.2	1.2
State General Fund	18.6	19.2	19.1	20.3
Total	\$ 22.7	\$ 23.4	\$ 23.3	\$ 24.5

**Assumptions**

Real Estate Transfer Tax — Over the past 13 fiscal years (FY 2007 through FY 2020), the average annual rate of growth in real estate transfer tax has equaled 2.3%. That rate of growth is assumed for FY 2021 and future fiscal years.

### **Fiscal Impact**

Real Estate Transfer Tax — Removing the Housing Trust Fund annual \$3.0 million real estate tax revenue limit is estimated to increase Housing Trust Fund revenue and reduce net General Fund revenue by the following amounts:

- FY 2022 = \$4.7 million
- FY 2023 = \$4.9 million
- FY 2024 = \$5.1 million
- FY 2025 = \$5.3 million
- FY 2026 = \$5.4 million
- FY 2027 = \$5.4 million

### **Division III**

### **Background**

Workforce Housing Tax Credits — The Workforce Housing Tax Credit provides tax incentives for the development of housing projects in Iowa. The credit was first available beginning July 1, 2014. The program has been expanded several times. The credit is administered and awarded by the IEDA. Tax credits under the program take the form of sales tax refunds and transferable investment tax credits.

### **Assumptions**

Workforce Housing Tax Credits:

- The IEDA will award the \$50.0 million in allowed Workforce Housing Tax Credits for FY 2022 through FY 2024 (three years).
- Based on program history with previous projects, the additional \$25.0 million in credits for each of the three years is assumed to be distributed as \$5.5 million (22.0%) of sales tax refunds and \$19.5 million of investment tax credits. Of the credits awarded, 72.0% of the sales tax refunds is assumed to be redeemed, while 100.0% of the investment tax credits is assumed to be redeemed.
- The first fiscal year of tax redemptions will be FY 2022.
- 50.0% of the sales tax refund redemptions will occur in the year of award and 50.0% in the following year.
- For the transferable investment tax credit portion of awards, 30.0% will be redeemed in the year of award and 30.0% in each of the next two years. The remaining 10.0% is assumed to be redeemed in the third year after the year of award.

### **Fiscal Impact**

Workforce Housing Tax Credits — The three-year increase in the annual award amount under the Workforce Housing Tax Credit program is projected to reduce net General Fund revenue by the following amounts:

- FY 2022 = \$7.8 million
- FY 2023 = \$15.7 million
- FY 2024 = \$21.5 million
- FY 2025 = \$15.6 million
- FY 2026 = \$7.8 million
- FY 2027 = \$2.0 million

The increase in the program limit will be repealed July 1, 2024. The projected revenue reduction is not projected to continue past FY 2027. The changes double the dollar amount of projects that can qualify under the program for the next three years. This can be expected to

increase the administrative workload of the IEDA.

#### **Division IV**

##### **Background**

Downtown Loan Guarantee Program — The [Community Catalyst Building Remediation Program](#) awards grants to cities to redevelop, rehabilitate, or deconstruct buildings to stimulate economic growth or reinvestment in a downtown community. The Program had a budget of \$4.9 million in FY 2020 and has a \$4.3 million budget in FY 2021, funded from internal discretionary sources.

The [Main Street Iowa Challenge Grant Program](#) funds local improvement projects, including upper story renovations, critical building stabilization, and façade restoration and upgrades. The Program is funded through a transfer from the High Quality Jobs Program within IEDA, which is funded through the Skilled Worker and Job Creation Fund. In FY 2021, up to \$1.0 million was designated to be transferred to the Main Street Iowa Challenge Grant Program.

##### **Assumptions**

Downtown Loan Guarantee Program — There are no General Fund appropriations into the Downtown Loan Guarantee Program for FY 2022 or FY 2023.

##### **Fiscal Impact**

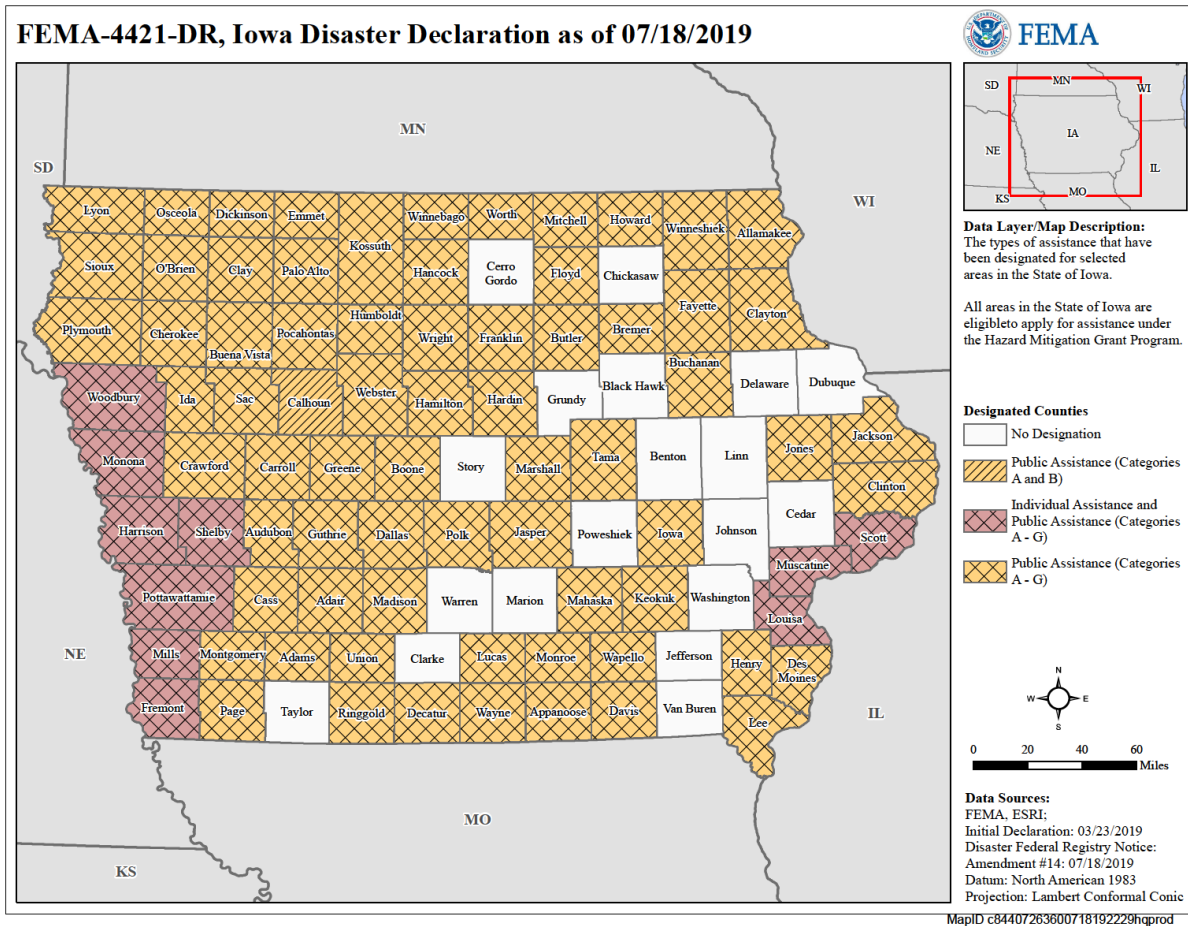
Downtown Loan Guarantee Program — Costs from the creation of a Downtown Loan Guarantee Program cannot be estimated, as no appropriation or transfer has been made to the Program. If appropriations or transfers are made to the Program, IEDA is expected to receive annual fee revenue from mortgage lenders as a result of the Downtown Loan Guarantee Program. This fee revenue cannot be estimated.

#### **Division V**

##### **Background**

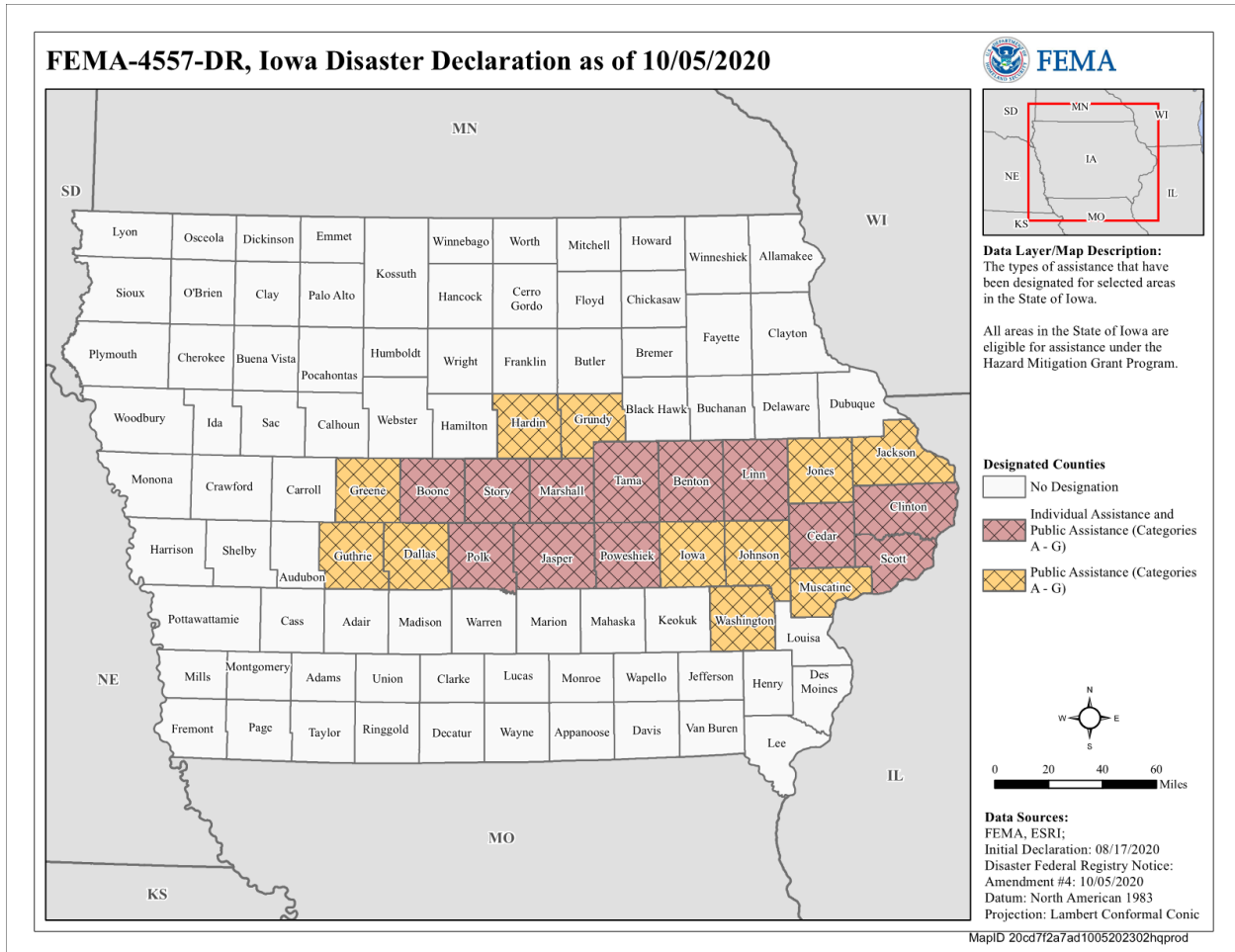
Disaster Recovery Housing Assistance Program — Beginning March 13, 2019, historic flooding impacted the State of Iowa. Thousands of homes were destroyed, causing hundreds of millions of dollars in damages. On March 23, 2019, the President declared a major disaster in the State of Iowa and signed the presidential declaration [FEMA-4421-DR-IA](#). With the declaration, the President authorized federal funds from Public Assistance Programs for 56 Iowa counties (see **Map 1** below). FEMA-4421-DR-IA also authorized federal funds from Individual Assistance grants in Fremont, Harrison, Mills, Monona, and Woodbury Counties. A total of 1,735 individual assistance applications from the Federal Emergency Management Agency (FEMA) were approved for reimbursement, totaling \$15.3 million. Funding from [federal public assistance](#) totaled \$194.8 million and was allocated to debris removal, infrastructure, and recreational facilities. State appropriations for flood mitigation from 2019 Iowa Acts, [SF 638](#) (Standing Appropriations Act), and 2020 Iowa Acts, [SF 2144](#) (Supplemental Appropriations Act), totaled \$36.0 million.

**Map 1: FEMA-4421-DR, Iowa Disaster Declaration as of 07/18/2019**



On August 10, 2020, a derecho hit central and eastern Iowa, causing both significant structural and crop damage across a large part of the State. President Trump issued a major disaster [declaration](#) for 16 counties on August 17, 2020. The declaration has been amended on multiple occasions to add additional counties and to make individual assistance available in the counties most impacted by the storm. **Map 2** below shows that, as of October 5, 2020, 23 counties qualify for public assistance and 12 counties qualify for both public assistance and individual assistance. As of February 3, 2021, FEMA has approved 3,063 individual assistance applications totaling \$11.1 million to rebuild after the storm.

**Map 2: Iowa Severe Storms (DR-4557-IA)**



The IFA administered the COVID-19 Iowa Eviction and Foreclosure Prevention Program, funded through \$37.4 million in Iowa Coronavirus Relief Fund allocations. The Program provided up to four months of actual rent or \$3,200, whichever was lower, in grants to income-eligible renters and homeowners who were at risk of eviction or foreclosure due to the pandemic. As of January 11, 2021, nearly 15,000 applications have received \$33.4 million in assistance from the Program.

**Assumptions**

Disaster Recovery Housing Assistance Program — There are no General Fund appropriations into the Disaster Recovery Housing Assistance Fund for FY 2022 or FY 2023. The Program may be funded from unobligated revenues transferred from other programs administered by the IFA, which shall be reported monthly to the Legislative Fiscal Committee.

**Fiscal Impact**

Disaster Recovery Housing Assistance Program — Costs or expenditures from the creation of a Disaster Recovery Housing Assistance Program and an Eviction Prevention Program cannot be estimated, as no appropriation or transfer has been made to fund the Program.

In the event a future disaster produces a disaster declaration by the Governor, activating the Disaster Recovery Housing Assistance Program, 0.25 full-time equivalent (FTE) positions will be necessary to assist the IFA Housing Program Manager to administer the Program. Costs will

be funded through an annual 5.0% administrative allowance cap in the Disaster Recovery Housing Assistance Fund or from other internal resources.

## **Division VI**

### **Background**

Redevelopment Tax Credit Program — This Program provides tax incentives for the development of contaminated, abandoned, or otherwise underutilized property in Iowa. The credit was available beginning July 1, 2009. The Program has been expanded several times. The credit is administered and awarded by the IEDA. Tax credit awards are based on the amount of qualified redevelopment expenditures from the project.

### **Assumptions**

Redevelopment Tax Credit Program:

- The changes allow the Redevelopment Tax Credit Program to continue at a \$20.0 million annual level past its current statutory end date of July 1, 2021. The changes also allow credits that were not awarded or were otherwise recovered during the past five years to be awarded as an addition to the annual limit. It is assumed that the five-year lookback for unused tax credits will add \$2.0 million to the FY 2022 limit, and it is further assumed that all tax credits will be approved for all future years.
- Tax credit certificates are issued after a project is complete. For each fiscal year of award, it is assumed that 50.0% of certificates are issued in the fiscal year after project approval and the remaining certificates are issued in the following fiscal year.
- Once certificates are issued, 8.0% of the redemption value is assumed to occur in the fiscal year the certificates are issued and 22.0% in each of the succeeding four fiscal years. Four percent of issued tax certificates are assumed to expire without redemption.

### **Fiscal Impact**

Redevelopment Tax Credit Program — The extension and expansion of the Redevelopment Tax Credit Program is projected to reduce net General Fund revenue by the following amounts:

- FY 2023 = \$0.9 million
- FY 2024 = \$4.1 million
- FY 2025 = \$8.6 million
- FY 2026 = \$13.0 million
- FY 2027 = \$17.4 million
- FY 2028 = \$19.2 million

The General Fund revenue reduction is projected to continue at the \$19.2 million level through FY 2032, and then be reduced to zero by FY 2037. The changes double the dollar amount of projects that can qualify under the Program for the next 10 years. This can be expected to increase the administrative workload of the Authority.



**FISCAL IMPACT SUMMARY**

<b>General Fund Revenue Impact by Division</b>					
In Millions					
	Division I Iowa Housing Tax Credit	Division II Housing Trust Fund Cap	Division III Workforce Housing Tax Credit	Division VI Redevelopment Tax Credit	Total General Fund Revenue Change
FY 2022	\$ 0.0	\$ -4.7	\$ -7.8	\$ 0.0	\$ -12.5
FY 2023	-0.3	-4.9	-15.7	-0.9	-21.8
FY 2024	-1.2	-5.1	-21.5	-4.1	-31.9
FY 2025	-2.6	-5.3	-15.6	-8.6	-32.1
FY 2026	-4.0	-5.4	-7.8	-13.0	-30.2
FY 2027	-5.6	-5.4	-2.0	-17.4	-30.4
FY 2028	-7.0	-5.5	0.0	-19.2	-31.7
FY 2029	-8.5	-5.5	0.0	-19.2	-33.2
FY 2030	-10.1	-5.5	0.0	-19.2	-34.8

**Additional Potential Fiscal Impact**

Existing Iowa law provides for a significant change to Iowa’s individual income tax system once two General Fund revenue triggers are met. The first year that the triggers may be met is at the conclusion of FY 2022. Once implemented, this contingent income tax system is projected to reduce Iowa individual income tax by roughly \$300.0 million per tax year. Since this Bill is projected to reduce General Fund revenue in FY 2022 and after, the Bill’s changes will moderately reduce the possibility of achieving both revenue triggers; as a consequence, the Bill could result in delayed implementation of the income tax reduction.

**Sources**

Department of Revenue  
 Legislative Services Agency  
 Iowa Economic Development Authority  
 Iowa Finance Authority  
 Federal Emergency Management Agency

/s/ Holly M. Lyons

March 23, 2021

Doc ID 1212341

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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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[SF 297](#) – Water Utility Corporate Tax Exemption (LSB1291XS)  
Staff Contact: Jeff Robinson (515.281.4614) [jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov)  
Fiscal Note Version – New

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### **Description**

[Senate File 297](#) exempts certain income earned by a public utility from the State corporate income tax. The exemption includes income earned from the operation of piped systems that distribute water for public consumption and systems that dispose of sanitary sewage or storm water. The change applies to tax years beginning on or after January 1, 2023.

### **Background**

There is currently one Iowa public utility, Iowa American Water Company, that provides water and/or wastewater disposal services in Iowa. Iowa American Water Company is a subsidiary of [American Water](#).

### **Assumptions**

According to an August 2020 rate increase filing by the company, Iowa American Water Company expects 2022 operating revenue to equal \$46.2 million and projects State corporate income tax expenses for that year to equal \$0.5 million. This includes \$4.4 million from the requested rate increase. The rate increase filing also lists an expected deferred State corporate income tax amount of \$0.6 million. The amounts supplied by the company to the Iowa Utilities Board indicate that annual Iowa corporate income tax liability represents 1.0% of company revenue and deferred State corporate income tax represents a potential additional one-time cost equal to 1.0% of annual company revenue.

The tax exemption will begin with the start of the company's tax year that begins in calendar year 2023. The start of the company's tax year is not known but is assumed for this estimate to be the calendar year. The company is assumed to make quarterly corporate income tax payments equal to 25.0% of projected liability for a tax year.

### **Fiscal Impact**

The proposed corporate income exemption for public water/wastewater income is projected to reduce Iowa General Fund revenue by \$0.9 million in FY 2023 and FY 2024 and \$0.5 million in FY 2025 and succeeding fiscal years.

**Source**

[Iowa Utilities Board Rate Filings](#)

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/s/ Holly M. Lyons

March 23, 2021

Doc ID 1217815

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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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[SF 526](#) – Access Centers (LSB2586SV)

Staff Contact: Jess Benson (515.281.4611) [jess.benson@legis.iowa.gov](mailto:jess.benson@legis.iowa.gov)

Fiscal Note Version – New

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### **Description**

[Senate File 526](#) amends various sections of the Iowa Code to allow for the emergency detention of an individual experiencing a mental health or substance use crisis at an access center. The Bill defines “access center” as the coordinated provision of intake assessment, screening for co-occurring conditions, care coordination, crisis stabilization residential services, subacute mental health services, and substance abuse treatment for persons experiencing a mental health or substance use crisis who do not need inpatient psychiatric hospital treatment, but who do need significant amounts of supports and services not available in other home and community-based settings.

### **Background**

Access centers, which were required by [HF 2456](#) (FY 2020 Mental Health Complex Service Needs Workgroup Report Act), are managed by the 14 Mental Health and Disability Services (MHDS) Regions. There are currently five access centers in operation and one in development. They are designed to accept patients 24 hours a day, seven days a week, and provide rapid assessment, triage, stabilization, and follow-up resources.

### **Assumptions**

The assumptions noted below will be multiplied by the six access centers that are either currently operating or in development. It is assumed that it will take the first nine months of FY 2022 to make the necessary upgrades to the access centers and gain proper licensure and because of this, staff costs would not begin until March 1, 2022.

Accepting individuals for emergency detention, 24 hours a day, seven days a week, would require the following additional full-time equivalent (FTE) positions at each of the six access centers:

- 1.0 psychiatrist FTE position on call at \$1,300 per day.
- 2.0 additional security staff FTE positions per shift.
- 1.0 pharmacist FTE position on call at \$50 per day.
- 1.0 pharmacy tech FTE position.
- 1.0 indirect FTE position at the center per shift such as a psychology technician.
- 1.0 additional nursing FTE position per shift.
- A portion of these cost increases may be offset by Medicaid.

Other ongoing and one-time costs at each of the six access centers would include:

- An additional \$50,000 per year for liability insurance.
- A one-time cost of \$75,000 for pharmacy equipment.
- One-time costs to remodel or design facilities to have at a minimum an isolation room, a locked room, and modifications to meet ligature standards.
- Additional staff training would be required depending on licensure.
- Additional licensure would be required.

**Fiscal Impact**

Senate File 526 is estimated to cost a minimum of \$2.9 million in FY 2022 and \$9.0 million in FY 2023 and subsequent fiscal years. A summary of the costs is listed below. The most significant unknown cost is the cost to remodel or design access centers to meet ligature standards to prevent suicide. To meet those standards requires specialty engineering and hardware to eliminate anything which could be used to attach a cord, rope, or other material. Other unknown costs include the cost of licensure and meeting those licensure requirements; and staff training costs which will be at least partially determined based on the licensure necessary. A portion of the ongoing staff costs may be offset by Medicaid and a decrease in involuntary holds at inpatient psychiatric hospitals, but access center costs are currently capped at a per diem rate and would need to be reevaluated based on the new requirements of the Bill.

**SF 526 — Summary of Estimated Costs**

	FY 2022		FY 2023	
	Per Facility	Six Facilities Statewide	Per Facility	Six Facilities Statewide
<b>Additional Staff Costs</b>				
On-Call Psychiatrist	\$ 118,625	\$ 711,750	\$ 474,500	\$ 2,847,000
Security Staff	96,750	580,500	387,000	2,322,000
On-Call Pharmacist	4,563	27,375	18,250	109,500
Pharmacy Technician	37,775	226,650	151,100	906,600
Indirect Staff	30,225	181,350	120,900	725,400
Nursing staff	75,550	453,300	302,200	1,813,200
<b>Total Additional Staff Costs</b>	<b>\$ 363,488</b>	<b>\$ 2,180,925</b>	<b>\$ 1,453,950</b>	<b>\$ 8,723,700</b>
<b>Other Costs</b>				
Pharmacy Equipment	\$ 75,000	\$ 450,000	\$ 0	\$ 0
Liability Insurance	50,000	300,000	50,000	300,000
Licensure Costs	TBD	TBD	TBD	TBD
Facility Costs	TBD	TBD	0	0
Training	TBD	TBD	TBD	TBD
<b>Total Other Costs</b>	<b>\$ 125,000</b>	<b>\$ 750,000</b>	<b>\$ 50,000</b>	<b>\$ 300,000</b>
<b>Total Quantifiable Costs</b>	<b>\$ 488,488</b>	<b>\$ 2,930,925</b>	<b>\$ 1,503,950</b>	<b>\$ 9,023,700</b>

TBD=To be determined based on licensure requirements and the specific needs of each facility.

**Source**

Mental Health and Disability Services Regions

Holly M. Lyons

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March 23, 2021

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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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[HF 419](#) – Driver’s License Station Convenience Fee (LSB1490HV)  
Staff Contact: Austin Brinks (515.725.2200) [austin.brinks@legis.iowa.gov](mailto:austin.brinks@legis.iowa.gov)  
Fiscal Note Version – As amended and passed by the House

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**Description**

[House File 419](#) authorizes Iowa counties to charge a \$10 convenience fee for the issuance or renewal of a driver’s license or nonoperator’s identification card to a person who is not a resident of that county. The person seeking the driver’s license or nonoperator’s identification card may provide proof that the person, or the person’s spouse, paid property tax to the county in order to be exempt from the convenience fee. Under the Bill, counties are not required to charge a convenience fee, but may do so at their discretion. Convenience fees collected by counties will be deposited into the respective counties’ general fund.

**Background**

Currently, counties keep \$7 of the fees charged for each issuance and renewal of any driver’s license or nonoperator’s identification card that is issued at their county driver’s license sites. The Department of Transportation (DOT) reports that in calendar year (CY) 2019, there were approximately 69,000 transactions for the issuance or renewal of a driver’s license or nonoperator’s identification card that were performed at the county level for individuals who did not reside in the county that served them. These 69,000 transactions equate to approximately 20.0% of total transactions by counties in CY 2019.

**Assumptions**

The convenience fee will not reduce demand for driver’s license or nonoperator’s identification card transactions that occur outside the licensee’s county of residence.

**Fiscal Impact**

If renewals match patterns in CY 2019, this Bill would result in an estimated annual increase to county general funds of \$170,000 if 25.0% of counties adopt the fee, \$340,000 if 50.0% of counties adopt the fee, \$510,000 if 75.0% of counties adopt the fee, and \$690,000 if 100.0% of counties adopt the fee.

The DOT may see an increase in labor costs if licensees decide to use a DOT service center to issue or renew a driver’s license or nonoperator’s identification card instead of a county site in order to avoid additional fees. In addition, there would be a one-time information technology cost to the DOT of approximately \$4,000 associated with the Bill.

**Sources**

Department of Transportation  
Legislative Services Agency

/s/ Holly M. Lyons

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March 24, 2021

Doc ID 12179581217958

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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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