

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

May 5, 2021

Clip Sheet Summary

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

| Bill | Amendment | Action | Sponsor |
|-------------|------------------|---------------|----------------|
|-------------|------------------|---------------|----------------|

No amendments filed on May 3, 2021

Fiscal Notes

[SF 562](#) — [Sexual Exploitation](#) (LSB2472SV.1)

[SF 608](#) — [Taxation, Penalties](#) (LSB2795SV.1)

[SF 617](#) — [Unemployment Trust Fund](#) (LSB2826SV)



[SF 562](#) – Sexual Exploitation (LSB2472SV)

Staff Contact: Laura Book (515.205.9275) (Laura.Book@legis.iowa.gov)

Fiscal Note Version – As amended by [S-3153](#) and [H-1429](#) and passed by the Senate

Description

[Senate File 562](#) relates to the crime of sexual exploitation. The Bill amends Iowa Code section [709.15](#) to criminalize sexual exploitation by an adult providing training or instruction.

Senate File 562 also provides that an adult providing training or instruction commits sexual exploitation when either of the following occur:

- When a person engages in a pattern, practice, or scheme of conduct to engage in any sexual conduct¹ with a minor for the purpose of arousing or satisfying the sexual desire of the adult providing training or instruction.
- When a person engages in sexual conduct with a minor for the purpose of arousing or satisfying the sexual desire of the adult providing training or instruction.

A person who engages in a pattern, practice, or scheme of conduct to engage in any sexual conduct with a minor for the purpose of arousing or satisfying the sexual desire of the adult providing training or instruction is guilty of a Class D felony. A person who engages in sexual conduct with a minor for the purpose of arousing or satisfying the sexual desire of the adult providing training or instruction is guilty of an aggravated misdemeanor.

[Amendment S-3153](#) removes the definition of “adult providing training or instruction” as defined in SF 562.

[Amendment H-1429](#) relates to the statute of limitations period for certain criminal sex offenses against minors. The amendment provides that an information or indictment in a criminal case for certain criminal offenses against a minor may be commenced at any time after the commission of the offense. The amendment also provides that an information or indictment for any sexual abuse in the first, second, or third degree must be commenced within 10 years after commission, or identification by DNA profile, whichever is later. The provisions related to the statute of limitations are effective upon enactment.

Background

An aggravated misdemeanor is punishable by confinement for no more than two years and a fine of at least \$855 but no more than \$8,540. A Class D felony is punishable by confinement for no more than five years and a fine of at least \$1,025 but not more than \$10,245.

An individual who violates the provisions of this Bill is subject to a special sentence pursuant to Iowa Code section [903B.2](#). A special sentence is defined as a punishment in addition to the punishment for the underlying criminal offense, and consists of committing the individual to the custody of the Department of Corrections (DOC) for a period of 10 years. An individual serving a special sentence begins the sentence in the same manner as if the individual were on parole or part of a work release program. The special sentence is subject to revocation for up to two

¹ Senate File 562 defines sexual conduct to include but not be limited to kissing; touching of the clothed or unclothed inner thigh, breast, groin, buttock, anus, pubes, or genitals; or a sex act as defined in Iowa Code section [702.17](#).

years for a first revocation and up to five years for a second or any subsequent revocation. A person who violates the provisions of SF 562 is also subject to a no-contact order upon release from jail or prison, and hormonal intervention therapy as prescribed under Iowa Code section [903B.10\(3\)\(h\)](#).

Additionally, a person who violates the provisions of this Bill is designated as a Tier II sex offender pursuant to Iowa Code section [692A.102\(1\)\(b\)\(12\)](#) if the victim is 13 years of age or older, or as a Tier III sex offender pursuant to Iowa Code section [692A.102\(1\)\(c\)\(28\)](#) if the victim is under the age of 13. In either scenario, the person committing the offense must register as a sex offender pursuant to Iowa Code section [692A.103](#).

Under current law, an information or indictment for sexual abuse; human trafficking; sexual abuse or exploitation by a counselor, therapist, or school employee; and other sexual offenses under Iowa Code section [802.2B](#) must be found within 10 or 15 years of the person against whom the offense was committed attaining 18 years of age, depending on the criminal offense and circumstances. The penalties for these offenses range from a serious misdemeanor to a Class B felony.

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 562 expands an existing criminal offense, and the number of new convictions cannot be estimated. In FY 2020, there were nine total admissions to the correctional system for a violation of Iowa Code section 709.15.

Amendment H-1429 removes the statute of limitations for sexual abuse; human trafficking; sexual exploitation by a counselor, therapist, or school employee; and other sexual offenses under Iowa Code section 802.2B for victims who were minors at the time of the offense. Although it is known that sexual abuse is frequently underreported and victims often wait years to come forward, precise estimates of the correctional impact of this legislation are not available. It is estimated that additional convictions will result, but the increase cannot be determined.

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 serious misdemeanors and Class B 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/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 |
| Class D Felony (Sex Offense) | 85.0% | 32.2 | \$20.33 | 45.2% | 49.7 | \$5.38 | 6.8% | \$14.78 | 43.8% | N/A | \$50.00 | 5.1 | \$5.38 |
| Aggravated Misdemeanor (Sex Offense) | 78.0% | 10.5 | \$20.33 | 58.5% | 15.1 | \$5.38 | 1.0% | \$14.78 | 74.6% | N/A | \$50.00 | *2.5 | \$5.38 |
| Serious Misdemeanor | 2.0% | 5.0 | \$20.33 | 56.0% | 13.4 | \$5.38 | 1.0% | \$14.78 | 69.0% | N/A | \$50.00 | 2.4 | \$5.38 |

Minority Impact

The minority impact of SF 562 is unknown. Amendment H-1429 removes the statute of limitations for several criminal sex offenses against minors. In FY 2019, African Americans made up 3.6% of the adult population of the State of Iowa and 22.5% of convictions for sexual abuse in the first, second, or third degree. According to the Criminal and Juvenile Justice Planning Division, this exceeds the population proportion of the State, which would lead to a racial impact if it remains constant. Due to the low numbers of other minorities, the impact on those populations cannot be estimated. 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 562 cannot be estimated. The Bill expands an existing criminal offense, and the resulting cost to the justice system cannot be estimated. Amendment H-1429 removes the statute of limitations for several offenses, and the fiscal impact cannot be estimated due to a lack of conviction data. It is estimated that additional convictions will result, but the fiscal impact cannot be determined. **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 Conviction

| Offense Class | Total Cost | |
|------------------------|------------|----------|
| | Minimum | Maximum |
| Serious Misdemeanor | \$ 410 | \$ 7,500 |
| Aggravated Misdemeanor | 3,700 | 7,800 |
| Class D Felony | 7,700 | 13,500 |
| Class C Felony | 9,900 | 19,200 |
| Class B Felony | 12,700 | 35,800 |

Sources

Department of Corrections
Criminal and Juvenile Justice Planning Division, Department of Human Rights
Judicial Branch
LSA analysis

/s/ Holly M. Lyons

April 30, 2021

Doc ID 122007420074

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 608](#) – Taxation, Penalties (LSB2795SV.1)
Staff Contact: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov
Fiscal Note Version – As passed by the Senate

Description

[Senate File 608](#) contains three divisions:

- Division I relates to tax administration, tax penalties, and the cancellation of tax permits that are not being used.
- Division II relates to composite return requirements for pass-through tax entities.
- Division III amends 2021 Iowa Acts, [HF 309](#), by adding language related to the applicability of the provisions of that Bill to specified actions of the Department of Revenue (DOR).

Background

House File 309 passed the House on February 23, 2021, and passed the Senate in the same form on April 13, 2021. As of April 29, 2021, the Bill had not been transmitted to the Governor.

Fiscal Impact

Only provisions in Division I that reduce tax penalties from 10.0% to 5.0% have a potential direct impact on State revenue or expenditures. The DOR reports that the provisions of current law that provide for 10.0% penalties for failure to file and 5.0% penalties for failure to pay tax in a timely manner are not currently assessed together, and this position is confirmed in current DOR tax penalty [rules](#). While the Bill lowers the penalty for failure to file from 10.0% to 5.0%, the Bill also allows the two penalties to be applied together. Therefore, the changes in the Bill appear to allow the DOR to continue the current practice of assessing a 10.0% penalty for the failure to both file a return and pay taxes in a timely manner.

Source

Department of Revenue

/s/ Holly M. Lyons

April 30, 2021

Doc ID 1220345

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.



SF 617 – Unemployment Trust Fund (LSB2826SV)
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 Fiscal Note Version – New

Description

Senate File 617 relates to unemployment insurance benefits. The Bill:

- For individuals whose employers have gone out of business, removes language requiring the Director of the Iowa Department of Workforce Development (IWD) to recompute wage credits from 33.0% to 50.0% for purposes of calculating an individual’s maximum total amount of unemployment benefits payable during a benefit year. The Bill also eliminates the ability of these individuals to collect an extra 13 weeks of benefits. This section of the Bill takes effect on July 1, 2022.
- Allows the IWD to establish by rule a process to waive or alter work search requirements for individuals who will be returning to employment and are attached to a regular job or industry or a member in good standing of a union. The section applies to temporary layoffs of 16 weeks or less due to seasonal weather conditions for highway construction, repair, or maintenance workers. This section of the Bill takes effect on enactment.
- Reinstates a one-week waiting period for those eligible to collect unemployment insurance during the individual’s benefit year. This section of the Bill takes effect on July 1, 2022.

Background

The UI Trust Fund, administered by the U.S. Department of Labor, is used to pay UI benefits to eligible claimants. The balance of the Fund at the end of calendar year (CY) 2016 was \$1.006 billion, rising to \$1.252 billion at the end of CY 2019. The Fund balance as of April 2, 2021, was \$856.2 million. The table below shows historical claims paid from the Fund to Iowans:

UI Benefits Paid — CY 2016-2020*

| Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|----------------|----------------|----------------|----------------|------------------|
| Benefits | \$ 423,511,364 | \$ 402,624,842 | \$ 364,712,930 | \$ 381,788,782 | \$ 1,254,245,440 |

*Source: U.S. Department of Labor

The UI Trust Fund is replenished through insurance taxes paid by Iowa employers based on a formula that includes an employer’s five-year average annual benefit payment and the employer’s five-year average annual taxable payroll. This formula results in a benefit ratio, which is compared to every other employer’s benefit ratio in determining the employer tax rate. The lowest employer benefit ratios receive the lowest tax rates. The Contribution Rate Table below shows the tax rates paid by Iowa employers and is set on a scale of 1 (highest tax rate paid) to 8 (lowest tax rate paid). For 2021, the Contribution Rate Table is set at 7, with tax rates ranging from 0.00% for those with the lowest benefit ratios to 7.50% for those with the highest benefit ratios. In 2020, \$490.0 million was transferred from federal funds deposited into the [Iowa Coronavirus Relief Fund](#) to the UI Trust Fund to keep the Contribution Rate at 7.

Unemployment Insurance Taxes Contribution Rates Table

| Benefit Ration Rank | Approximate Cumulative Taxable | Contribution Rates Table | | | | | | | |
|------------------------|-----------------------------------|--------------------------|-------|-------|-------|-------|-------|-------|-------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 | 4.80% | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 2 | 9.50% | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 3 | 14.30% | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.000 | 0.000 | 0.000 |
| 4 | 19.00% | 0.400 | 0.300 | 0.300 | 0.200 | 0.100 | 0.100 | 0.100 | 0.100 |
| 5 | 23.80% | 0.600 | 0.500 | 0.400 | 0.300 | 0.300 | 0.200 | 0.100 | 0.100 |
| 6 | 28.60% | 0.900 | 0.800 | 0.600 | 0.500 | 0.400 | 0.300 | 0.200 | 0.100 |
| 7 | 33.30% | 1.200 | 1.000 | 0.800 | 0.600 | 0.500 | 0.400 | 0.300 | 0.200 |
| 8 | 38.10% | 1.500 | 1.300 | 1.000 | 0.800 | 0.600 | 0.500 | 0.300 | 0.200 |
| 9 | 42.80% | 1.900 | 1.500 | 1.200 | 0.900 | 0.700 | 0.600 | 0.400 | 0.300 |
| 10 | 47.60% | 2.100 | 1.800 | 1.400 | 1.100 | 0.800 | 0.600 | 0.500 | 0.300 |
| 11 | 52.40% | 2.500 | 2.000 | 1.600 | 1.300 | 1.000 | 0.700 | 0.500 | 0.300 |
| 12 | 57.10% | 3.000 | 2.400 | 1.900 | 1.500 | 1.100 | 0.900 | 0.600 | 0.400 |
| 13 | 61.90% | 3.600 | 2.900 | 2.400 | 1.800 | 1.400 | 1.100 | 0.800 | 0.500 |
| 14 | 66.60% | 4.400 | 3.600 | 2.900 | 2.200 | 1.700 | 1.300 | 1.000 | 0.600 |
| 15 | 71.40% | 5.300 | 4.300 | 3.500 | 2.700 | 2.000 | 1.600 | 1.100 | 0.700 |
| 16 | 76.20% | 6.300 | 5.200 | 4.100 | 3.200 | 2.400 | 1.900 | 1.400 | 0.900 |
| 17 | 80.90% | 7.000 | 6.400 | 5.200 | 4.000 | 3.000 | 2.300 | 1.700 | 1.100 |
| 18 | 85.70% | 7.500 | 7.500 | 7.000 | 5.400 | 4.100 | 3.100 | 2.300 | 1.500 |
| 19 | 90.40% | 8.000 | 8.000 | 8.000 | 7.300 | 5.600 | 4.200 | 3.100 | 2.000 |
| 20 | 95.20% | 8.500 | 8.500 | 8.500 | 8.000 | 7.600 | 5.800 | 4.300 | 2.800 |
| 21 | 100.00% | 9.000 | 9.000 | 9.000 | 9.000 | 8.500 | 8.000 | 7.500 | 7.000 |

Iowa Code Section [96.1A](#)(37) defines temporary unemployment for a period lasting up to four consecutive weeks when the individual is unemployed due to a plant shutdown, vacation, inventory, lack of work, or emergency from the individual's regular job. After four weeks, under current law, work search requirements apply to these temporarily unemployed workers.

Many states currently impose a one-week waiting period for payment of UI benefits because federal funds are not available for the first week after a claim is filed. Iowa does not have a waiting week. The [Coronavirus, Aid, Relief, and Economic Security \(CARES\) Act](#) provided 100.0% federal reimbursement to states for the first week of UI for the time period March 29, 2020, through December 16, 2020, saving Iowa \$105.5 million. The [Consolidated Appropriations Act, 2021](#), provided a 50.0% reimbursement for the first week of all claims paid from December 27, 2020, through March 13, 2021, while the [American Rescue Plan Act of 2021](#) retroactively provided a 100.0% reimbursement for the first week of all claims paid from December 31, 2020, through September 6, 2021.

Assumptions

- 2020 UI data was not used as a model due to high claims paid from COVID-19 closures.
- Two percent inflation beginning in FY 2023 was used for projected costs of salary and benefits.
- Business failure projections going forward are based on FY 2014 to FY 2019 data from the IWD, as an average of \$4.6 million in UI benefits were paid out to 2,741 recipients due to closings.
- Waiving of work search requirements to those with a temporary layoff for 16 weeks instead of 4 weeks will impact 5,000 highway construction workers statewide, according to IWD data.
- The IWD would need to spend \$60,000 in FY 2022 for information technology costs to administer the changes to work search requirements.

- Reinstating an initial waiting week would reduce withdrawals to cover UI benefits by 5.5% annually. According to the IWD, the annual average in first week benefit payments from FY 2015 to FY 2019 to 62,000 recipients who would no longer receive them was \$23.3 million.

Fiscal Impact

- The Bill would reduce benefits paid from the UI Trust Fund due to modifying the Weekly Benefit Amount for those with more than one dependent by an estimated \$2.2 million annually beginning in FY 2023.
- The Bill will eliminate the need for 3.0 full-time equivalent (FTE) Workforce Advisor positions within IWD due to elimination of the benefit to claimants when employers go out of business, reducing federal UI administrative expenses by an estimated \$251,000 beginning in FY 2023, and increasing via inflation every year thereafter. This provision will also reduce payments from the UI Trust Fund by approximately \$4.6 million annually beginning in FY 2023.
- Waiving or altering work search requirements will increase IWD federal UI administrative expenses by an estimated \$60,000 in FY 2022. The Bill may, depending if or how IWD establishes new administrative rules to enact this section, marginally increase benefits paid from the UI Trust Fund by an amount that cannot be estimated due to a lack of data.
- Reinstating the one-week waiting period for payment of UI benefits would reduce withdrawals from the UI Trust Fund by an estimated \$23.3 million annually beginning in FY 2023. See chart below for the overall fiscal impact of the Bill.
- Employer taxes paid into the UI Trust Fund would be expected to decrease in later years, absent any other law changes, due to a reduction in benefit payments. These cannot be estimated due to lack of data.

Estimated Fiscal Impact of SF 617

| <u>Section of Bill</u> | <u>FTE</u> | <u>Category</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Funding Source</u> |
|----------------------------------|-------------------|----------------------------------|-----------------------|-----------------------|-----------------------------------|
| Business Closings - Wage Credits | -3.0 | IWD Employee Salary and Benefits | \$ 0 | \$ -251,000 | Federal UI Administrative Funding |
| | | Benefits to Claimants | 0 | -4,600,000 | UI Trust Fund |
| Work Search Requirements | | IWD System Expenses | \$ 60,000 | 0 | Federal UI Administrative Funding |
| Reinstate Waiting Week | | Benefits to Claimants | \$ 0 | \$ -23,300,000 | UI Trust Fund |
| TOTAL | -3.0 | | \$ 60,000 | \$ -28,151,000 | |

Sources

Legislative Services Agency
Iowa Department of Workforce Development
United States Department of Labor
Iowa Department of Management

/s/ Holly M. Lyons

May 3, 2021

Doc ID 1220370

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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