

**EIGHTY-NINTH GENERAL ASSEMBLY  
2022 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

**March 15, 2022**

**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>
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No amendments filed on March 14, 2022

**Fiscal Notes**

[SF 2309](#) — [Unpasteurized Milk](#) (LSB5946SV.1)

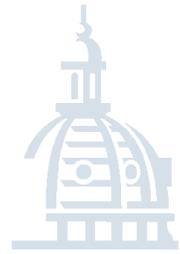
[SF 2326](#) — [Solar Tax Credit](#) (LSB5571XS)

[HF 2281](#) — [Video Hearings](#) (LSB5322HV.1)

[HF 2398](#) — [Permanent Teaching Licensure](#) (LSB5896HV.1)

[HF 2431](#) — [Home-Based Business Ordinances](#) (LSB5079HV)

[HF 2518](#) — [Cranes, Annual Permit](#) (LSB5556HV.1)



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[SF 2309](#) – Unpasteurized Milk (LSB5946SV.1)  
Staff Contact: Aaron Gerdts (515.281.6764) [aaron.gerdts@legis.iowa.gov](mailto:aaron.gerdts@legis.iowa.gov)  
Fiscal Note Version – As Amended and Passed by the Senate

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### **Description**

[Senate File 2309](#) defines a “raw milk dairy” as an operation that maintains 10 or fewer dairy animals and does not pasteurize or grade milk produced from those animals. The Bill allows raw milk dairies acting in compliance with the requirements provided in the Bill to sell raw milk and products derived from raw milk to consumers. Products sold in this manner cannot be sold for resale and are not subject to regulation by the Iowa Department of Agriculture and Land Stewardship (IDALS) or the Iowa Department of Inspections and Appeals (DIA). A person who violates any provision of this Bill commits a simple misdemeanor.

### **Background**

Raw milk is milk that has not been pasteurized or graded. The sale of raw milk is not currently permitted in Iowa. Under Iowa Code section [192.103](#), only Grade “A” pasteurized milk and milk products can be sold to the final consumer.

A simple misdemeanor is punishable by confinement for up to 30 days, a fine of between \$105 and \$855, or both.

### **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.

### **Correctional Impact**

Senate File 2309 establishes new offenses. As a result, the correctional impact cannot be estimated due to a lack of existing data. A conviction for a simple misdemeanor does not result in a prison sentence, but does carry the possibility of confinement for up to 30 days. Marginal county jail costs are estimated to be \$50 per day, but there is insufficient information to determine any costs related to length of stay. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 18, 2022, for information related to the correctional system.

### **Minority Impact**

Senate File 2309 has an unknown minority impact due to lack of conviction data. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 18, 2022, for information related to minorities in the criminal justice system.

**Fiscal Impact**

The fiscal impact related to the creation of a simple misdemeanor cannot be estimated due to a lack of existing data. The estimated cost for one simple misdemeanor conviction ranges from \$40 to \$370. The estimated fine revenue from one simple misdemeanor conviction ranges from \$105 to \$855.

**Source**

Legislative Services Agency

/s/ Holly M. Lyons

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March 14, 2022

Doc ID 1288476

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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 2326](#) – Solar Tax Credit (LSB5571XS)

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 2326](#) allows taxpayers with residential solar energy system installations that were completed during calendar year (CY) 2021 or are on the wait list, to receive the Solar Energy System Tax Credit. The Bill notwithstanding the current May 1, 2022, deadline for credit applications to be filed for CY 2021 installations and instead requires application by June 30, 2022. The residential installations that are approved for the tax credit under the provisions of the Bill are not to be counted as part of the annual \$5.0 million aggregate tax credit cap for all solar energy system installations. The changes are effective upon enactment and apply retroactively to tax year 2022.

## **Background**

The Solar Energy System Tax Credit has been available since January 1, 2012. The Iowa tax credit is equal to a percentage of the federal tax credit that was available for the same purpose. For installations completed on or after January 1, 2016, the Iowa credit is equal to the 50.0% of the federal credit.

The federal tax credit ended for residential installations completed after December 31, 2021. Iowa law limits the total aggregate amount of tax credits approved under the program in a calendar year to \$5.0 million. The full CY 2021 allocation has been awarded, and a wait list exists for projects that qualify for the credit but will not receive an award under current law because of the annual cap.

The tax credits are not transferable or refundable, but unused tax credits may carry forward for up to 10 fiscal years.

## **Assumptions**

Based on tax credit applications from residential projects completed during CY 2018 through CY 2020, the Department of Revenue estimates that a total of \$5.6 million in applications will be approved under the provisions of the Bill.

The Legislative Services Agency estimates that awarded tax credits will be redeemed over eight fiscal years as follows:

FY 2023 — 45.0%

FY 2024 — 20.0%

FY 2025 — 10.0%

FY 2026 through FY 2030 — 5.0% each fiscal year

## **Fiscal Impact**

The redemption of Solar Energy System Tax Credits that are assumed to be issued under the provisions of the Bill are projected to reduce individual income tax liability and General Fund revenue by the following amounts:

- FY 2023 — \$2.5 million

- FY 2024 — \$1.1 million
- FY 2025 — \$0.5 million
- FY 2026 through FY 2030 — \$0.3 million each fiscal year

There is no projected fiscal impact beyond FY 2030.

**Source**

Department of Revenue

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/s/ Holly M. Lyons

March 14, 2022

Doc ID 1288475

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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 2281](#) – Video Hearings (LSB5322HV.1)  
Staff Contact: Isabel Waller (515.281.6561) [isabel.waller@legis.iowa.gov](mailto:isabel.waller@legis.iowa.gov)  
Fiscal Note Version – As amended and passed by the House

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**Description**

[House File 2281](#) does the following:

- Provides that for an initial appearance or arraignment, upon the motion of any of the parties, the proceeding is to be conducted by videoconference if appropriate technology is available.
- Provides that for a pretrial conference, scheduling conference, or any other noncontested judicial proceeding, upon the motion of any of the parties, the proceeding is to be conducted by videoconference if appropriate technology is available unless the court orders the proceeding to be held in person for good cause.
- Provides that for a hearing in a criminal, juvenile, or postconviction relief proceeding, upon motion of any of the parties, the hearing may be conducted by videoconference if it is conducted in an efficient manner and does not prejudice a substantial right of any party, if appropriate technology is available.
- Provides that any party may file a resistance to a motion to hold a judicial proceeding by videoconference.
- Provides that the term “open court” includes the remote testimony of a witness by videoconference or other remote means of communication if approved by the court.
- Includes video recordings in the provisions of Iowa Code section [602.3205](#) related to audio recordings of certified shorthand reporters.

The Bill is effective upon enactment.

**Background**

During the COVID-19 pandemic, Judicial Branch orders temporarily allowed certain judicial proceedings to be conducted by videoconference or telephone.

Currently, Iowa Code section [624.1](#) provides that all issues of fact in ordinary actions are to be tried upon oral evidence taken in open court, except that depositions may be used as provided by law.

**Assumptions**

- The Office of the State Public Defender and the Office of the Attorney General pay mileage expenses for their attorneys to travel to judicial proceedings.
- Approximately 40.0% of proceedings for adult criminal and juvenile cases will be held by videoconference under the Bill.
- Judicial proceedings held by videoconference will incur no mileage expenses to Office of the State Public Defender attorneys and contract attorneys and Office of the Attorney General attorneys.
- Due to the COVID-19 pandemic’s impact on the scheduling of judicial proceedings, future mileage expenses for Office of the State Public Defender attorneys and contract attorneys will more closely resemble FY 2019 mileage expenditures than those of more recent fiscal years.

- In FY 2019, \$794,000 was expended from the Indigent Defense Fund on mileage expenses for adult criminal and juvenile proceedings. In FY 2019, \$86,000 was expended from the Office of the State Public Defender operating budget on mileage expenses for adult criminal and juvenile proceedings.
- The Office of the Attorney General estimates cost savings of approximately \$15,000 per year from reduced mileage expenses for its attorneys.
- The Judicial Branch reports that the Bill will result in the need for substantial operational modifications for scheduling and docket management, as the way court proceedings often work in high-volume docket environments is not conducive to switching between in-person and remote proceedings.
- To implement the Bill, the Judicial Branch will create and manage separate court time for in-person and remote proceedings and manage and assign cases from one setting to another.
- Additional motions and the need for orders to set video hearings will add additional work for judges, clerks, and law clerks.
- The Judicial Branch anticipates that an additional Judicial Specialist will be needed for each of the 10 largest urban counties to handle additional scheduling, filing, and technology management and for each of the eight judicial districts to handle scheduling, filing, and technology management in rural areas, for a total of 18.0 full-time equivalent (FTE) positions.
- The cost per Judicial Specialist FTE position is approximately \$74,000.

**Fiscal Impact**

The Bill is estimated to have an annual net cost of \$960,000. This consists of costs to the Judicial Branch and savings to the Office of the State Public Defender and the Office of the Attorney General. There may be additional cost savings to counties, but the amount is unknown.

The Bill is estimated to have an annual cost of approximately \$1.3 million to the Judicial Branch, as shown in **Table 1** below. The Judicial Branch also reports several operational impacts of the Bill, but the fiscal impact of these cannot be determined. The Judicial Branch is funded through the General Fund.

**Table 1 — Annual Cost to Judicial Branch**

<b>New FTE Positions</b>	<b>Cost Per FTE Position</b>	<b>Total Cost Per Year</b>
18.0	\$73,700	\$1,326,600

The Bill is estimated to have an annual cost savings of approximately \$352,000 to the Office of the State Public Defender, as shown in **Table 2** below. This cost savings is composed of savings to the Office of the State Public Defender operating budget and the Indigent Defense Fund. Both are funded through the State General Fund.

**Table 2 — Annual Savings to the Office of the State Public Defender**

	<b>Mileage Expenses Per Year</b>	<b>Percent of Proceedings Held by Videoconference</b>	<b>Cost Savings Per Year</b>
State Public Defender Operating Budget	\$ 86,000	40.0%	\$ 34,400
Indigent Defense Fund	794,000	40.0%	317,600
<b>Total</b>	<u>\$ 880,000</u>		<u>\$ 352,000</u>

The Bill is also estimated to have an annual cost savings of approximately \$15,000 to the Office of the Attorney General. This cost savings is primarily to the Area Prosecutions Division, which is funded through the Consumer Education and Litigation Fund. Additionally, counties may experience cost savings from reduced transport of defendants to court proceedings by sheriffs, but the extent of these savings cannot be estimated due to a lack of data.

**Sources**

- Office of the State Public Defender
- Office of the Attorney General
- Judicial Branch
- Iowa State Association of Counties
- Iowa State Sheriffs and Deputies Association
- Legislative Services Agency

/s/ Holly M. Lyons

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March 11, 2022

Doc ID 1288377

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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 2398](#) – Permanent Teaching Licensure (LSB5896HV.1)  
Staff Contact: Lora Vargason (515.725.2249) [lora.vargason@legis.iowa.gov](mailto:lora.vargason@legis.iowa.gov)  
Fiscal Note Version – As amended and passed by the House

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### **Description**

[House File 2398](#) requires the Board of Educational Examiners (BOEE) to issue permanent licensure to practitioners who hold a master's degree or doctoral degree and have been employed as a practitioner for at least 10 years. If the practitioner holds an evaluator approval endorsement, licensure must be renewed at least once every 10 years.

### **Background**

The BOEE establishes standards for educational practitioners pursuant to authority under Iowa Code chapter [272](#). The BOEE sets standards for issuance of licenses, certificates, and authorizations to educational practitioners and sets standards for license renewal. Licensure renewal includes the following:

- Verification of completion of Mandatory Reporter of Child Abuse and Dependent Adult Abuse Training within three years of renewal of license.
- Verification of completion of Iowa Evaluator Training for each administration license renewal.
- Conducting a background check on all renewals including Child Abuse, Dependent Adult Abuse, and Sex Offender registries, and a review of Iowa Courts Online for any criminal convictions.

The BOEE operational costs are funded through licensure fees and 25.0% of the collected fees are transferred into the State General Fund. The licensing fees collected by the BOEE for FY 2021 were \$1.9 million.

### **Assumptions**

- An estimated 4,100 individuals with a master's degree or doctoral degree renew or extend a license each year.
- The current licensure processing fee, as established by the BOEE, is \$85 per application.
- The BOEE will collect \$50 per application to conduct background checks.
- 75.0% of the fees received by the BOEE are used for operations and 25.0% of the fees are transferred into the State General Fund.

### **Fiscal Impact**

House File 2398 is estimated to reduce licensure fees remitted to the BOEE by \$110,000 and reduce deposits to the State General Fund by \$40,000. The BOEE has indicated that the reduction of fees would impact its ability to cover operating expenses and may result in a reduction of staff.

**Source**

Board of Educational Examiners

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/s/ Holly M. Lyons

March 14, 2022

Doc ID 1288532

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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 2431](#) – Home-Based Business Ordinances (LSB5079HV)  
Staff Contact: Brendan Beeter (515.281.6934) [brendan.beeter@legis.iowa.gov](mailto:brendan.beeter@legis.iowa.gov)  
Fiscal Note Version – As amended and passed by the House

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**Description**

[HF 2431](#) relates to the regulation home-based business ordinances by counties and cities. The Bill adds a new section to Iowa Code chapter [335](#).

The Bill permits the use of a residential property for a home-based business. The Bill defines a “home-based business” as any business for the manufacture, provision, or sale of goods or services that is owned and operated by the owner or tenant of the residential property on which the business operates. Additionally, the Bill defines a “no-impact home-based business” as a home-based business for which the number of on-site employees and clients does not exceed county occupancy limits for the residential property. Counties are prevented from requiring a no-impact home-based business to apply, register, or obtain any permit, license, variance, or other type of prior approval from the county to operate the no-impact home-based business. Additionally, the Bill prevents a county from requiring the home-based business to rezone the property for the purpose of commercial use. However, the Bill allows for regulations to be placed on the business for the purposes of public safety, public health, and other community-related issues.

The Bill also addresses Iowa Code chapter [137D](#) regarding home food processing establishments. The Bill defines “home food processing establishments” as a business on the premises of a residence in which homemade food items are produced for sale or resale, if the business has gross annual sales of less than \$50,000. The Bill excludes churches, fraternal societies, charitable organizations, or civic organizations. Additionally, the Bill requires home food processing establishments to abide by all food safety and storage regulations as defined in Iowa Code.

Home food processing establishments are required to be licensed through the Iowa Department of Inspection and Appeals (DIA) and are subject to periodic inspection by the DIA. The fee associated with licensure is \$50, and licenses are required to be renewed annually. Home food processing establishments will also be required to label a homemade food item with information identified by the Bill.

Home-based food processors found in violation of the Code chapter shall be subject to a civil penalty of \$100 to be collected by DIA or be require to suspend business operations.

DIA may suspend the license if:

- The licensee violates Iowa Code section [137D.6](#) or a rule established by that Iowa Code section.
- The licensee conducts an activity constituting a criminal offense in the home food processing establishment and is convicted of a serious misdemeanor or a more serious offense.

The Bill also makes changes to Iowa Code section [137F.1](#). The Bill defines “cottage food” as:

- Food that is not time/temperature controlled for the safety of the food.
- Food items such as pickles, vegetables, or fruits that have certain pH levels identified in Iowa Code section 137F.1.

Additionally, the Bill exempts cottage food from all licensing, permitting, inspection, and labeling requirements if the food is sold and delivered directly to the consumer by the producer or delivered by mail or by an employee. The food labeling requirements for cottage food are identified by provisions in the Bill.

### **Background**

Home-based business regulations are currently under the discretion and regulation of county, city, or local government ordinances or laws.

Currently, home bakeries are required to be licensed under Iowa Code chapter 137D as a business on the premises of a residence in which prepared food is created for sale or resale with gross annual sales of less than \$35,000. The current Iowa Code provides guidance and regulations regarding the processing, sale, and licensing of home bakeries and food safety guidelines.

Food establishments are subject to license fees. All license fees are deposited into the General Fund. Food establishments selling products directly to consumers intended for preparation or consumption off the premises are subject to the following annual license fees under Iowa Code section [137F.6\(1\)\(f\)](#):

- \$150 if direct-to-consumer gross sales are less than \$250,000
- \$300 if direct-to-consumer gross sales are between \$250,000 and \$500,000
- \$400 if direct-to-consumer gross sales are greater than \$500,000

### **Assumptions**

- The DIA inspection and licensing computer system will require updates to accommodate the new licenses and inspections, resulting in a one-time \$60,000 estimated cost during the first year of implementation.
- The DIA will require a temporary contract Information Technology (IT) Project Manager to administer the changes to system technology. The cost of a temporary contract IT Project Manager is priced by the State’s contract with Computer Aid, Inc., at \$82.37 per hour. The DIA estimates the project will require 780 hours of work by the contract IT Project Manager, resulting in a cost of \$64,000.
- An additional 0.5 full-time equivalent (FTE) position for a Senior Environmental Specialist, 2.0 FTE positions for Environmental Specialists, and a 0.5 FTE position for an Advanced Clerk will be required to regulate the home food processing establishments. The minimum annual cost for these FTE positions is \$50,000, \$170,000, and \$20,000 respectively.
- The DIA estimates annual licensure of approximately 800 home food processing establishments, resulting in a revenue increase of approximately \$40,000 annually.
- The DIA estimates that approximately 20% of small food processing establishments with gross annual sales of less than \$200,000 will seek licensure as a home food processing establishment, resulting in approximately \$11,000 of annual revenue loss.

### **Fiscal Impact**

House File 2431 is estimated to increase DIA expenditures by a minimum of \$364,000 in Year 1 and a minimum of \$240,000 in all following years. Currently, the DIA does not have the staffing capacity to absorb the duties required in the Bill. No funding is identified in the Bill to fund these expenditures. **Table 1** below details the fiscal impact.

**Table 1 — Fiscal Impact of HF 2431 for DIA**

<b>Revenue</b>	<u>Year 1</u>	<u>Year 2</u>
License Fees	\$ 29,470	\$ 29,470
<b>Expenditures</b>	<u>Year 1</u>	<u>Year 2</u>
0.5 FTE position for a Senior Environmental Specialist	\$ -50,000	\$ -50,000
2.0 FTE positions for Environmental Specialists	-170,000	-170,000
0.5 FTE position for a Clerk Advanced	-20,000	-20,000
Temporary contract IT Project Manager	-64,249	
IT Updates	-60,000	
<b>Total Annual Cost</b>	<u>\$ -364,249</u>	<u>\$ -240,000</u>
<b>Net Impact</b>	<u>\$ -334,779</u>	<u>\$ -210,530</u>

Additionally, the Bill is expected to increase revenue to the DIA by approximately \$40,000 from the licensure of home food processing establishments to be deposited in a special fund in the State treasury. However, an estimated loss of 20% of small food processing establishment licensing fees is estimated to reduce DIA revenue by approximately \$11,000. In total, this would result in an estimated net annual revenue increase of \$29,000. An estimate of revenue from civil penalties could not be calculated due to an unknown number of possible violations for the new license.

**Source**

Iowa Department of Inspections and Appeals

/s/ Holly M. Lyons

March 14, 2022

Doc ID 1288485

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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 2518](#) – Cranes, Annual Permit (LSB5556HV.1)  
Staff Contact: Danielle Beavers (515.725.1286) [danielle.beavers@legis.iowa.gov](mailto:danielle.beavers@legis.iowa.gov)  
Fiscal Note Version – As Amended and passed by the House

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**Description**

[House File 2518](#) amends Iowa Code section [321E.7](#) to allow cranes with a single axle load not exceeding 80,000 pounds and within current height and weight specification to be eligible for any type of permit, including annual permits. Under the Bill, annual permits for cranes cost \$400.

**Background**

Under current law, cranes being temporarily moved on streets, roads, or highways are exempt from the provisions of Iowa Code chapter [321E](#) (vehicles of excessive size and weight), which generally limits the gross weight on any one axle of a vehicle or combination of vehicles, including such vehicles traveling under any permit issued under Iowa Code chapter 321E, to 20,000 pounds. Each single-trip permit under current law costs \$35, and a single-trip permit must be purchased each time a crane is moved.

Cranes being temporarily moved on streets, roads, or highways are provided with single-trip permits through the Department of Transportation’s (DOT) administrative rules for cranes with a single axle load that does not exceed 80,000 pounds.

To be eligible for the other permits included in Iowa Code section 321E.7, cranes must still conform to the vehicle dimensions and other requirements that are currently set forth in the law for those permits.

**Assumptions**

- The cost-benefit of the annual permit will only apply to 26 customers who have smaller cranes that will be impacted by the Bill.
- In 2019, 167 customers purchased single-trip permits for cranes.
- The Bill will eliminate revenue from annual permits that totals \$18,000. This estimate assumes the following:
  - The 26 customers who own smaller cranes that will be impacted by the Bill spend \$35 per single-trip permit under current law and purchase a permit for 20 trips per crane per year. This equates to \$18,000 in revenue to the Road Use Tax Fund (RUTF).
  - Under House File 2518, the 26 customers who own smaller cranes will spend \$400 on an annual permit rather than purchasing a single-trip permit for cranes 20 times each per year. This would equate to \$10,000 in annual revenue to the RUTF.
- There is an estimated annual cost of \$2,000 in order to update the embargo map, which displays the weight and travel limits of Iowa’s infrastructure.
- There is an estimated \$40,000 payment to a vendor in order to cover a one-time increase in cost for DOT operations.

**Fiscal Impact**

House File 2518 is estimated to reduce net revenue to the RUTF by \$8,000 annually. The annual trip permit for cranes will result in \$10,000 in revenue, while eliminating single-trip permits will reduce revenue by \$18,000. There is also a one-time cost of \$40,000 and estimated annual cost of \$2,000 for the DOT.

**Sources**

Department of Transportation, Motor Vehicle Division  
Department of Transportation, Bridges and Structures Bureau  
Iowa Online Permitting System

/s/ Holly M. Lyons

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March 14, 2022

Doc ID 1288275

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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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