

**NINETIETH GENERAL ASSEMBLY
2024 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

March 5, 2024

Clip Sheet Summary

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

Bill	Amendment	Action	Sponsor
SF 295	S-5037	Filed	RECEIVED FROM THE HOUSE
SF 2325	S-5038	Adopted	SCOTT WEBSTER
SF 2334	S-5040	Filed	LYNN EVANS
SF 2370	S-5041	Adopted	MIKE BOUSSELOT
SF 2381	S-5039	Adopted	JEFF EDLER

Fiscal Notes

[SF 2243](#) — [Sexual Exploitation of Minors, Use of Falsely Created Images](#)
(LSB5064SV)

[SF 2263](#) — [Prisons, Sleeping Quarters and Bathroom Use](#) (LSB5651SV)

[SF 2337](#) — [Hands-Free Driving and Automated Traffic Cameras](#) (LSB5293SV)

[SF 2340](#) — [Illegal Entry or Presence, Prohibition and Enforcement](#)
(LSB6048SV)

[SF 2381](#) — [Health Insurance, Cash Prices and Deductible Credits](#) (LSB1883SV)

[SF 2383](#) — [Preschool Funding](#) (LSB5223SV)

[SF 2397](#) — [Captive Insurance Companies, Reinsurance Tax](#) (LSB5285SV)

[SF 2398](#) — [Individual Income Tax](#) (LSB5398SV)

[HF 2278](#) — [School Bus Open Enrollment](#) (LSB1362HZ.1)

HOUSE AMENDMENT TO
SENATE FILE 295

S-5037

- 1 Amend Senate File 295, as passed by the Senate, as follows:
- 2 1. Page 1, line 3, by striking <2023> and inserting <2024>
- 3 2. Page 1, line 11, by striking <2023> and inserting <2024>
- 4 3. Page 1, line 16, by striking <2023> and inserting <2024>
- 5 4. Page 1, line 25, by striking <2023> and inserting <2024>
- 6 5. Page 1, line 29, by striking <2023> and inserting <2024>
- 7 6. Page 2, line 5, by striking <2023> and inserting <2024>
- 8 7. Page 2, line 9, by striking <2023> and inserting <2024>
- 9 8. Page 2, line 12, by striking <thirty> and inserting <up
- 10 to sixty>
- 11 9. Page 2, line 15, by striking <thirty> and inserting
- 12 <sixty>
- 13 10. Page 2, line 23, by striking <thirty-day> and inserting
- 14 <sixty-day>
- 15 11. Page 2, line 27, by striking <2023> and inserting <2024>
- 16 12. Page 3, line 2, by striking <2023> and inserting <2024>
- 17 13. Page 3, line 7, by striking <2023> and inserting <2024>
- 18 14. Page 3, line 32, by striking <2023> and inserting <2024>
- 19 15. Page 4, line 1, by striking <2023> and inserting <2024>
- 20 16. Page 4, line 6, by striking <2023> and inserting <2024>
- 21 17. Page 4, after line 7 by inserting:
- 22 <Sec. _____. Section 633.556, Code 2024, is amended by adding
- 23 the following new subsection:
- 24 NEW SUBSECTION. 10. The person listed in the petition for
- 25 guardianship or conservatorship pursuant to subsections 4, 5,
- 26 and 6 shall be given notice of the filing of the petition for
- 27 guardianship or conservatorship pursuant to section 633.558. A
- 28 person entitled to notice under this subsection does not gain
- 29 standing in a guardianship or conservatorship proceeding as a
- 30 result of being entitled to notice unless so ordered by the
- 31 court.>
- 32 18. Page 4, line 8, by striking <2023> and inserting <2024>
- 33 19. Page 4, line 14, by striking <2023> and inserting <2024>
- 34 20. Page 4, after line 18 by inserting:
- 35 <Sec. _____. Section 633.561, subsection 1, paragraph b, Code

1 2024, is amended to read as follows:

2 *b.* If the respondent is the petitioner or an adult under
3 a standby petition, the court shall determine whether, under
4 the circumstances of the case, the respondent is entitled to
5 representation. The determination regarding representation
6 may be made with or without notice to the respondent, as
7 the court deems necessary. If the court determines that the
8 respondent is entitled to representation, the court shall
9 appoint an attorney to represent the respondent. After making
10 the determination regarding representation, the court shall
11 set a hearing on the petition, and provide for notice on
12 the determination regarding representation and the date for
13 hearing.>

14 21. Page 4, line 19, by striking <2023> and inserting <2024>

15 22. Page 4, after line 30 by inserting:

16 <Sec. _____. Section 633.563, subsection 1, Code 2024, is
17 amended to read as follows:

18 1. At or before a hearing on a petition for the appointment
19 of a guardian or conservator or the modification or termination
20 of a guardianship or conservatorship, the court shall order a
21 professional evaluation of the respondent unless one of the
22 following criteria is met:

23 *a.* The court finds it has sufficient information to
24 determine whether the criteria for a guardianship or
25 conservatorship of an adult pursuant to section 633.552 or
26 633.553 are met.

27 *b.* The petitioner for a guardianship or conservatorship
28 for an adult or an adult respondent has filed a professional
29 evaluation.

30 *c.* The court finds that it has sufficient information to
31 determine whether the criteria for a conservatorship of a minor
32 pursuant to section 633.554 are met.

33 *d.* The petitioner for a conservatorship for a minor or a
34 minor respondent has filed a professional evaluation.>

35 23. Page 4, line 31, by striking <2023> and inserting <2024>

S-5037 (Continued)

- 1 24. Page 5, line 7, by striking <2023> and inserting <2024>
2 25. Page 6, line 4, by striking <2023> and inserting <2024>
3 26. Page 6, line 7, by striking <thirty> and inserting <up
4 to sixty>
5 27. Page 6, line 10, by striking <thirty> and inserting
6 <sixty>
7 28. Page 6, line 20, by striking <thirty-day> and inserting
8 <sixty-day>
9 29. Page 6, line 24, by striking <2023> and inserting <2024>
10 30. Page 7, line 5, by striking <2023> and inserting <2024>
11 31. Page 7, line 12, by striking <2023> and inserting <2024>
12 32. Page 7, line 23, by striking <2023> and inserting <2024>
13 33. Page 7, line 27, by striking <2023> and inserting <2024>
14 34. Page 7, line 33, by striking <2023> and inserting <2024>
15 35. Page 8, line 9, after <court> by inserting <or as may be
16 specifically expanded by the court for good cause shown.>
17 36. Page 8, by striking lines 14 through 22 and inserting:
18 <4. Upon the filing of an appropriate oath by the
19 conservator, the clerk of court shall issue letters of
20 appointment. Upon issuance by the court of an order approving
21 an initial financial management plan, approving an annual
22 report, or further order of the court granting, modifying,
23 limiting, or terminating powers of the conservator, the clerk
24 of court shall issue new letters of appointment and shall
25 attach to the new letters of appointment such order of the
26 court containing the conservator's powers.>
27 37. Page 8, line 23, by striking <2023> and inserting <2024>
28 38. Page 10, line 10, by striking <significant> and
29 inserting <significant>
30 39. Page 10, line 10, after <persons> by inserting
31 <significant in the life of the protected person>
32 40. Page 10, line 28, by striking <2023> and inserting
33 <2024>
34 41. Page 11, line 5, by striking <2023> and inserting <2024>
35 42. Page 11, line 8, by striking <A conservator> and

1 inserting <Except as otherwise ordered by the court under
2 subsection 7, a conservator>

3 43. Page 15, before line 28 by inserting:

4 <7. The court may terminate a conservatorship upon written
5 request by the conservator if all the following are true:

6 a. The sole or nearly sole source of income of the
7 respondent is social security benefits with a representative
8 payee assigned.

9 b. The court finds there are no other assets that require
10 oversight or protection.>

11 44. Page 15, line 28, by striking <2023> and inserting
12 <2024>

13 45. Page 16, line 4, by striking <2023> and inserting <2024>

14 46. Page 16, by striking lines 10 through 19 and inserting:

15 <Sec. ____ . Section 217.40, Code 2024, is amended to read as
16 follows:

17 **217.40 Training for guardians and conservators.**

18 The department, or a person designated by the director,
19 shall establish training programs designed to assist all duly
20 appointed guardians and conservators in understanding their
21 fiduciary duties and liabilities, the special needs of the ~~ward~~
22 protected person, and how to best serve the ~~ward~~ protected
23 person and the ~~ward's~~ protected person's interests.>

24 47. Page 16, line 21, by striking <2023> and inserting
25 <2024>

26 48. Page 16, line 31, by striking <2023> and inserting
27 <2024>

28 49. Page 17, line 1, by striking <2023> and inserting <2024>

29 50. Page 17, line 16, by striking <2023> and inserting
30 <2024>

31 51. Page 18, line 7, by striking <2023> and inserting <2024>

32 52. Page 18, line 12, by striking <2023> and inserting
33 <2024>

34 53. Page 18, line 24, by striking <2023> and inserting
35 <2024>

S-5037 (Continued)

- 1 54. Page 18, line 33, by striking <2023> and inserting
2 <2024>
- 3 55. Page 19, line 2, by striking <2023> and inserting <2024>
- 4 56. Page 19, line 22, by striking <2023> and inserting
5 <2024>
- 6 57. By striking page 19, line 31, through page 20, line 8,
7 and inserting:
8 <Sec. _____. Section 252C.2, subsection 3, Code 2024, is
9 amended to read as follows:
10 3. The provision of child support collection or paternity
11 determination services under chapter 252B to an individual,
12 even though the individual is ineligible for public assistance,
13 creates a support debt due and owing to the individual or the
14 individual's child or ~~ward~~ protected person by the responsible
15 person in the amount of a support obligation established by
16 court order or by the department. The department may establish
17 a support debt in favor of the individual or the individual's
18 child or ~~ward~~ protected person and against the responsible
19 person, both as to amounts accrued and accruing, pursuant to
20 section 598.21B.>
- 21 58. Page 20, line 9, by striking <2023> and inserting <2024>
- 22 59. Page 20, line 17, by striking <2023> and inserting
23 <2024>
- 24 60. Page 20, line 25, by striking <2023> and inserting
25 <2024>
- 26 61. Page 20, line 31, by striking <2023> and inserting
27 <2024>
- 28 62. Page 21, line 7, by striking <2023> and inserting <2024>
- 29 63. Page 21, line 20, by striking <2023> and inserting
30 <2024>
- 31 64. Page 21, line 26, by striking <2023> and inserting
32 <2024>
- 33 65. Page 21, line 32, by striking <2023> and inserting
34 <2024>
- 35 66. Page 22, by striking lines 13 through 30.

S-5037 (Continued)

- 1 67. Page 22, line 31, by striking <2023> and inserting
2 <2024>
- 3 68. Page 23, line 4, by striking <2023> and inserting <2024>
- 4 69. Page 23, line 12, by striking <2023> and inserting
5 <2024>
- 6 70. Page 23, line 26, by striking <2023> and inserting
7 <2024>
- 8 71. Page 23, line 29, by striking <2023> and inserting
9 <2024>
- 10 72. Page 24, line 7, by striking <2023> and inserting <2024>
- 11 73. Page 24, line 20, by striking <2023> and inserting
12 <2024>
- 13 74. Page 24, line 32, by striking <2023> and inserting
14 <2024>
- 15 75. Page 25, line 10, by striking <2023> and inserting
16 <2024>
- 17 76. Page 25, line 18, by striking <2023> and inserting
18 <2024>
- 19 77. Page 25, line 25, by striking <2023> and inserting
20 <2024>
- 21 78. Page 26, line 1, by striking <2023> and inserting <2024>
- 22 79. Page 26, line 7, by striking <2023> and inserting <2024>
- 23 80. Page 26, line 13, by striking <2023> and inserting
24 <2024>
- 25 81. Page 26, line 34, by striking <2023> and inserting
26 <2024>
- 27 82. Page 27, line 13, by striking <2023> and inserting
28 <2024>
- 29 83. Page 27, line 21, by striking <2023> and inserting
30 <2024>
- 31 84. Page 27, line 33, by striking <2023> and inserting
32 <2024>
- 33 85. Page 28, line 8, by striking <2023> and inserting <2024>
- 34 86. Page 28, line 14, by striking <2023> and inserting
35 <2024>

S-5037 (Continued)

- 1 87. Page 28, line 25, by striking <2023> and inserting
2 <2024>
- 3 88. Page 28, line 33, by striking <2023> and inserting
4 <2024>
- 5 89. Page 29, line 8, by striking <2023> and inserting <2024>
- 6 90. Page 29, line 28, by striking <2023> and inserting
7 <2024>
- 8 91. Page 29, line 35, by striking <2023> and inserting
9 <2024>
- 10 92. Page 30, line 9, by striking <2023> and inserting <2024>
- 11 93. Page 30, line 23, by striking <2023> and inserting
12 <2024>
- 13 94. Page 30, line 30, by striking <2023> and inserting
14 <2024>
- 15 95. Page 31, line 2, by striking <2023> and inserting <2024>
- 16 96. Page 31, line 22, by striking <2023> and inserting
17 <2024>
- 18 97. Page 31, line 33, by striking <2023> and inserting
19 <2024>
- 20 98. Page 32, line 13, by striking <2023> and inserting
21 <2024>
- 22 99. Page 32, line 19, by striking <2023> and inserting
23 <2024>
- 24 100. Page 32, line 31, by striking <2023> and inserting
25 <2024>
- 26 101. Page 33, line 3, by striking <2023> and inserting
27 <2024>
- 28 102. Page 33, line 15, by striking <2023> and inserting
29 <2024>
- 30 103. Page 33, line 23, by striking <2023> and inserting
31 <2024>
- 32 104. Page 34, line 6, by striking <2023> and inserting
33 <2024>
- 34 105. Page 34, line 23, by striking <2023> and inserting
35 <2024>

S-5037 (Continued)

- 1 106. Page 34, line 26, by striking <2023> and inserting
2 <2024>
- 3 107. Page 35, line 23, by striking <2023> and inserting
4 <2024>
- 5 108. Page 36, line 10, by striking <2023> and inserting
6 <2024>
- 7 109. Page 36, line 17, by striking <2023> and inserting
8 <2024>
- 9 110. Page 36, line 21, by striking <2023> and inserting
10 <2024>
- 11 111. By renumbering as necessary.

[S-5037](#) FILED MARCH 4, 2024

SENATE FILE 2325

S-5038

- 1 Amend Senate File 2325 as follows:
- 2 1. Page 2, line 33, by striking <or> and inserting <and>
- 3 2. Page 3, line 24, by striking <a.> and inserting <1.>
- 4 3. Page 3, line 29, by striking <b.> and inserting <2.>
- 5 4. Page 4, line 6, by striking <c.> and inserting <3.>

By SCOTT WEBSTER

S-5038 FILED MARCH 4, 2024

ADOPTED

SENATE FILE 2334

S-5040

1 Amend Senate File 2334 as follows:

2 1. Page 2, after line 9 by inserting:

3 <4. This section shall not apply to a bank, bank holding
4 company, savings bank, or credit union organized under the
5 laws of this state, another state, or the United States, or a
6 subsidiary owned or controlled by such a bank, bank holding
7 company, savings bank, or credit union.>

By LYNN EVANS

S-5040 FILED MARCH 4, 2024

SENATE FILE 2370

S-5041

1 Amend Senate File 2370 as follows:

2 1. Page 1, by striking lines 15 and 16 and inserting:

3 <Sec. _____. Section 10A.506, subsection 10, Code 2024, is
4 amended to read as follows:

5 10. Notwithstanding section 17A.6, subsection 3, the
6 licensing boards included within the department pursuant to
7 subsection 1 may adopt standards by reference to another
8 publication without ~~providing a copy of~~ posting the publication
9 to the ~~administrative code editor~~ boards' internet sites if
10 the publication containing the standards is readily accessible
11 on the internet at no cost and the internet site at which the
12 publication may be found is included in the administrative
13 rules that adopt the standard.>

14 2. Page 10, after line 6 by inserting:

15 <Sec. _____. Section 455B.176A, Code 2024, is amended by
16 adding the following new subsection:

17 NEW SUBSECTION. 9. Rules adopted to implement this
18 subsection are not subject to section 17A.7, subsection 2 or 3.

19 Sec. _____. Section 505.35, Code 2024, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 3. Notwithstanding section 17A.6,
22 subsection 3, the commissioner may adopt standards by reference
23 to another publication without posting the publication to
24 the department of insurance and financial services' internet
25 site if the publication containing the standards is readily
26 accessible on the internet at no cost and the internet site
27 at which the publication may be found is included in the
28 administrative rules that adopt the standard.>

29 3. Page 10, by striking lines 7 through 12.

30 4. By striking page 10, line 15, through page 13, line 12.

31 5. By striking page 19, line 28, through page 20, line 14.

32 6. By renumbering as necessary.

By MIKE BOUSSELOT

S-5041 (Continued)

[S-5041](#) FILED MARCH 4, 2024

ADOPTED

SENATE FILE 2381

S-5039

- 1 Amend Senate File 2381 as follows:
- 2 1. Page 1, line 4, by striking <514M.1> and inserting <514M>
- 3 2. Page 1, by striking lines 23 through 35.
- 4 3. Page 2, by striking lines 1 through 17.
- 5 4. Page 2, line 18, by striking <5.> and inserting <2.>
- 6 5. Page 2, after line 22 by inserting:
- 7 <3. *"Covered benefits"* or *"benefits"* means health care
- 8 services that a covered person is entitled to under the terms
- 9 of a health benefit plan.>
- 10 6. Page 2, by striking lines 23 and 24 and inserting:
- 11 <4. *"Covered person"* means a policyholder, subscriber,
- 12 enrollee, or other individual participating in a health benefit
- 13 plan.>
- 14 7. Page 2, by striking lines 25 through 32.
- 15 8. Page 2, line 33, by striking <9.> and inserting <5.>
- 16 9. Page 3, by striking lines 1 and 2 and inserting:
- 17 <6. *"Health benefit plan"* means a policy, contract,
- 18 certificate, or agreement offered or issued by a health carrier
- 19 to provide, deliver, arrange for, pay for, or reimburse any of
- 20 the costs of health care services.>
- 21 10. Page 3, line 3, by striking <11.> and inserting <7.>
- 22 11. Page 3, by striking lines 12 and 13 and inserting:
- 23 <8. *"Health care services"* means services for the diagnosis,
- 24 prevention, treatment, cure, or relief of a health condition,
- 25 illness, injury, or disease.>
- 26 12. Page 3, by striking lines 14 and 15 and inserting:
- 27 <9. a. *"Health carrier"* means an entity subject to the
- 28 insurance laws and regulations of this state, or subject
- 29 to the jurisdiction of the commissioner, including an
- 30 insurance company offering sickness and accident plans, a
- 31 health maintenance organization, a nonprofit health service
- 32 corporation, a plan established pursuant to chapter 509A
- 33 for public employees, or any other entity providing a plan
- 34 of health insurance, health care benefits, or health care
- 35 services.

1 *b.* For purposes of this chapter, "*health carrier*" does not
2 include an entity providing any of the following:

3 (1) Coverage for accident-only, or disability income
4 insurance.

5 (2) Coverage issued as a supplement to liability insurance.

6 (3) Liability insurance, including general liability
7 insurance and automobile liability insurance.

8 (4) Workers' compensation or similar insurance.

9 (5) Automobile medical-payment insurance.

10 (6) Credit-only insurance.

11 (7) Coverage for on-site medical clinic care.

12 (8) Other similar insurance coverage, specified in
13 federal regulations, under which benefits for medical care
14 are secondary or incidental to other insurance coverage or
15 benefits.

16 *c.* For purposes of this chapter, "*health carrier*" does not
17 include an entity providing benefits under a separate policy
18 including any of the following:

19 (1) Limited scope dental or vision benefits.

20 (2) Benefits for long-term care, nursing home care, home
21 health care, or community-based care.

22 (3) Any other similar limited benefits as provided by the
23 commissioner by rule.

24 *d.* For purposes of this chapter, "*health carrier*" does not
25 include an entity providing benefits offered as independent
26 noncoordinated benefits including any of the following:

27 (1) Coverage only for a specified disease or illness.

28 (2) A hospital indemnity or other fixed indemnity
29 insurance.

30 *e.* For purposes of this chapter, "*health carrier*" does
31 not include an entity providing a Medicare supplemental
32 health insurance policy as defined under section 1882(g)(1)
33 of the federal Social Security Act, coverage supplemental to
34 the coverage provided under 10 U.S.C. ch. 55, and similar
35 supplemental coverage provided to coverage under group health

1 insurance coverage.>

2 13. Page 3, line 16, by striking <14.> and inserting <10.>

3 14. Page 3, line 18, by striking <15.> and inserting <11.>

4 15. Page 3, line 34, after <individuals.> by inserting
5 <A health care provider may satisfy the requirements of this
6 paragraph by complying with the centers for Medicare and
7 Medicaid services of the United States department of health and
8 human services hospital price transparency final rule published
9 in the federal register on November 22, 2023.>

10 16. Page 4, by striking lines 6 through 21 and inserting:

11 <c. (1) Prior to the provision of a scheduled health
12 care service, a health care provider shall inform all covered
13 persons and uninsured individuals of the right of the covered
14 person or uninsured individual to pay for a health care service
15 via the discounted cash price. The notice may be provided
16 electronically, verbally, in writing, or posted at the physical
17 location of the health care provider.

18 (2) Prior to the provision of a scheduled health care
19 service, a health care provider shall inform a covered person
20 that the covered person may qualify for a deductible credit
21 if the covered person pays the discounted cash price for the
22 health care service and if the discounted cash price is below
23 the average allowed amount paid by the health carrier to
24 network providers for a comparable health care service. The
25 notice may be provided electronically, verbally, in writing, or
26 posted at the physical location of the health care provider.>

27 17. Page 4, after line 27 by inserting:

28 <e. A health carrier shall not enter into a contract with a
29 health care provider that prohibits the health care provider
30 from offering a discounted cash price below the contracted
31 rates the health care provider has with a health carrier, or
32 that prohibits the health care provider from disclosing the
33 health care provider's discounted cash price under paragraph
34 "b".>

35 18. Page 4, line 28, by striking <e.> and inserting <f.>

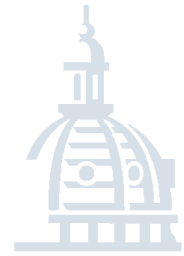
S-5039 (Continued)

- 1 19. Page 4, line 30, by striking <health care provider> and
2 inserting <pharmacist>
- 3 20. Page 4, by striking line 32 and inserting <point the
4 pharmacist fills a prescription drug>
- 5 21. Page 4, line 34, by striking <f.> and inserting <g.>
- 6 22. Page 7, by striking lines 5 through 12.
- 7 23. Page 8, by striking lines 4 through 35.
- 8 24. Page 9, by striking lines 1 and 2 and inserting:
9 <10. This chapter shall not be construed to prohibit a
10 health care>
- 11 25. Page 9, line 9, by striking <12.> and inserting <11.>
- 12 26. Page 9, line 26, by striking <2025> and inserting <2026>
- 13 27. Title page, by striking line 2 and inserting <services.>

By JEFF EDLER

[S-5039](#) FILED MARCH 4, 2024

ADOPTED



[SF 2243](#) – Sexual Exploitation of Minors, Use of Falsely Created Images (LSB5064SV)
Staff Contact: Molly Kilker (515.725.1286) molly.kilker@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2243](#) expands the definition of the sexual exploitation of a minor under Iowa Code section [728.12\(3\)](#) to include any type of visual depiction that has been created, adapted, or modified to give the appearance that an identifiable minor is engaging in a prohibited sexual act or in the simulation of a prohibited sexual act.

Background

Iowa Code section 728.12 establishes the penalties for the sexual exploitation of a minor. Under current law, a person who commits a violation of Iowa Code section 728.12(3) (purchase or possession of visual depictions) commits a Class D felony for a first offense and a Class C felony for a second or subsequent offense.

In FY 2023, 40 individuals were convicted of the sexual exploitation of a minor under Iowa Code section 728.12(3). In the same fiscal year, six individuals were admitted to prison and 15 individuals were admitted to probation on the most serious offense under Iowa Code section 728.12(3).

A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but not more than \$13,660. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245.

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 delay 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 2243 expands the definition of an existing offense. The correctional impact cannot be estimated because it is not known how many additional convictions would result from the changes in definitions. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for Class C felonies and Class D felonies. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2024, for information related to the correctional system.

Figure 1 — Sentencing Estimate and Length of Stay (LOS)

Conviction Offense Class	Percent Ordered to State Prison	FY 2023 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY23 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Percent Sentenced to CBC Residential Facility	Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY23 Field Avg LOS on Parole	Marginal Cost Per Day Parole
C Felony (Sex)	93.5%	65.2	\$24.94	28.6%	41.5	\$ 7.67	5.4%	\$ 20.00	39.6%	\$ 50.00	10.5	\$ 7.67
D Felony (Sex)	91.5%	32.3	\$24.94	45.4%	40.1	\$ 7.67	2.8%	\$ 20.00	39.7%	\$ 50.00	8.7	\$ 7.67

Minority Impact

The minority impact cannot be determined since it is not known how many additional crimes would result from the changes in definitions. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 16, 2024, for information related to minorities in the criminal justice system.

Fiscal Impact

Senate File 2243 may increase the number of offenders admitted to prison under Iowa Code section 728.12(3). However, the extent of the increase in costs to the Department of Corrections (DOC) is unknown.

Figure 2 shows the average State cost per offense for a Class D and Class C felony. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class C Felony	\$14,300 to \$27,500
Class D Felony	\$12,600 to \$18,200

Sources

Department of Corrections
 Criminal and Juvenile Justice Planning, Department of Management
 Legislative Services Agency

 /s/ Jennifer Acton

March 1, 2024

Doc ID 1447515

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 2263](#) – Prisons, Sleeping Quarters and Bathroom Use (LSB5651SV)
Staff Contact: Molly Kilker (515.725.1286) molly.kilker@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2263](#) relates to the privacy and safety of inmates in a correctional facility and does the following:

- Requires every restroom, changing room, and sleeping quarter within a correctional facility that is designated for the use of incarcerated individuals to be used or entered only by members of one sex.
- Defines “sex” as an individual’s biological sex, either male or female, as observed or clinically verified at birth.
- Requires correctional facilities to ensure all restrooms, changing rooms, and sleeping quarters provide users with privacy from members of the opposite sex.
- Provides exceptions for an incarcerated individual entering a restroom, changing room, or sleeping quarter designated for the opposite sex for custodial or maintenance purposes, to provide medical assistance, during an emergency or natural disaster, at the direction of the correctional facility (which must not include overnight housing), or to prevent a serious threat to good order or safety.
- Establishes a private cause of action for declaratory and injunctive relief against the correctional facility under specific circumstances.
- Requires that all civil actions brought pursuant to the Bill be initiated within two years after the violation occurred.

Senate File 2263 takes effect upon enactment.

Background

Under current practice, the Iowa Department of Corrections (DOC) provides restroom, changing room, and sleeping quarter arrangements as determined by an incarcerated individual’s genital sex at the time of intake. This may include both biological genitalia at birth and genitalia following a sexual reassignment surgery.

Under Standard [115.42\(c\)](#) of the federal [Prison Rape Elimination Act](#) (PREA), when deciding whether to assign a transgender or intersex inmate to a facility for male or female inmates, and in making other housing and programming assignments, an agency must consider on a case-by-case basis whether a placement would ensure the inmate’s health and safety and whether the placement would present management or security problems.

There are three Department of Justice (DOJ) federal grant programs (or portions thereof) that are subject to a 5.0% penalty for [noncompliance with PREA standards](#). These include the following:

- The Bureau of Justice Assistance’s Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program.

- The Office of Juvenile Justice and Delinquency Prevention’s Juvenile Justice and Delinquency Prevention (JJDP) Act Formula Grant Program.
- The Services, Training, Officers, and Prosecutors Violence Against Women Act (STOP VAWA) Formula Grant Program.

As of February 29, 2024, the DOC is not actively housing any incarcerated individuals who are of one biological sex at a facility of another biological sex.

Assumptions

- A reduction in federal funds may apply to all DOJ funding that the State could use for prison purposes.
- According to the DOC, SF 2263 may conflict with the requirements of PREA.
- In FY 2023, the award amounts for the JAG, JJDP, and STOP VAWA federal grant programs were as follows:
 - The Department of Public Safety (DPS) received \$2.2 million from the JAG program. A 5.0% penalty for noncompliance would total \$109,000.
 - The Department of Health and Human Services (HHS) received \$602,000 from the JJDP program. A 5.0% penalty for noncompliance would total \$30,000.
 - The Office of the Attorney General received \$1.9 million from the STOP VAWA program. A 5.0% penalty for noncompliance would total \$95,000.
- The DOC identified a federal rent program as potentially subject to a penalty of noncompliance as well. The FY 2023 award amount to the DOC was \$5.0 million. A 5.0% penalty for noncompliance would total \$250,000.
- There may be other unidentified federal funds that could be subject to a penalty of noncompliance under PREA under the Bill.

Fiscal Impact

Senate File 2263 may result in a reduction in federal funding if the State is found to be noncompliant, but the extent or timing of the impact is unknown. The DOC, DPS, HHS, and Office of the Attorney General have identified approximately \$485,000 in federal grant moneys that may be subject to a penalty of noncompliance with PREA standards.

Sources

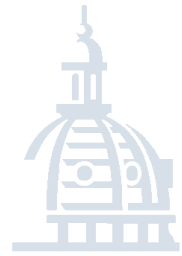
Department of Corrections
 Office of the Attorney General
 Department of Public Safety
 Department of Health and Human Services
 Legislative Services Agency

/s/ Jennifer Acton

March 1, 2024

Doc ID 1446669

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 2337](#) – Hands-Free Driving and Automated Traffic Cameras (LSB5293SV)
 Staff Contact: Garry Martin (515.281.4611) garry.martin@legis.iowa.gov
 Fiscal Note Version – New

[Senate File 2337](#) expands the texting while driving prohibitions and prohibits the use of automated traffic enforcement systems.

Division I — Use of Electronic Devices While Driving

Description

Senate File 2337 prohibits any use of an electronic device while driving. The Bill defines “electronic device” as a device that is powered by electricity, including by a battery, that is capable of composing, sending, receiving, or reading messages and storing, retrieving, or displaying videos, movies, or images. Use of an electronic device includes but is not limited to holding, viewing, or manipulating an electronic device.

Single Citation — SF 2337	
Penalty	\$ 100.00
Surcharge (15.0%)	15.00
Court Cost	55.00
Total	\$ 170.00

The Bill increases the scheduled fine for this violation from \$45 to \$100. Under the Bill, use of an electronic device would be a moving violation. A moving violation can be considered for purposes of administrative suspension of a driver’s license or to establish habitual offender status.

The Bill allows use of an electronic device under the following circumstances:

- Use if the vehicle is at a complete stop off the roadway or as far away from the center of the roadway if the vehicle cannot be entirely removed from the traveled portion of the roadway.
- Use in voice-activated or hands-free mode.
- Use by members of a public safety agency performing official duties.
- Use by health care professionals in the course of emergency situations.
- Use to receive safety-related information.
- Use to report an emergency situation, including maintaining communication with emergency personnel during the emergency situation, or public transit personnel responding to a transit-specific situation.
- Use by persons operating an implement of husbandry.
- Use by certain radio operators.
- Use by members of a public transit system performing official duties in a vehicle that is not in motion.
- Use by a utility maintenance employee or contractor using an electronic device while in a utility maintenance vehicle for the purpose of providing utility services.
- Use by a transportation network company driver engaged in a prearranged ride, provided the vehicle is not in motion.
- Use by a person to access or use a fleet management system.

A peace officer is required to issue a warning memorandum in lieu of a citation for violations that occur from July 1, 2023, the effective date of **Division I**, until January 1, 2024.

Background

Current law prohibits the use of hand-held electronic communication devices to write, send, or view electronic messages while driving a motor vehicle. The fine for this violation is currently \$45. The violation is not considered a moving violation. Persons under the age of 18 are currently prohibited from using an electronic communication device while driving a motor vehicle (Iowa Code section [321.178](#)).

Single Citation — Current Law		
Penalty	\$	45.00
Surcharge (15.0%)		6.75
Court Cost		55.00
Total	\$	106.75

In FY 2023, convictions under Iowa Code section [321.276](#) for using an electronic communication device while driving a motor vehicle totaled 1,364.

Under Iowa Code section [602.8106](#)(4)(b), scheduled fine revenue for a State law violation is distributed as follows: 91.0% to the State and 9.0% to the general fund of the county in which the violation occurred. For the State share of citations, 1.3% is distributed to the Emergency Medical Services (EMS) Fund and 98.7% is distributed to the State General Fund.

In addition to the scheduled fine, a Crime Services Surcharge, equal to 15.0% of the fine, and a \$55 fee for court costs are also imposed. The Crime Services Surcharge is remitted to the State Court Administrator and is distributed as follows: 46.0% to the Juvenile Detention Home Fund; 32.0% to the Victim Compensation Fund; 20.0% to the Criminalistics Laboratory Fund; and 2.0% to the Drug Abuse Resistance Education (DARE) Fund. The fee assessed for court costs is deposited into the State General Fund.

According to the National Conference of State Legislatures (NCSL) [State Cellphone Use While Driving Laws](#) dashboard, 29 states currently prohibit all drivers from using hand-held cellphones while driving.

Assumptions

- The number of Iowa citations under current law for FY 2024 is estimated to total 1,364, which is similar to the average number of citations over the previous two years.
- The State of Indiana was utilized as a benchmark when the state enacted a law for hands-free devices beginning in July 2020. Between 2021 and 2022, the state averaged 5,966 violations per year, excluding formal warnings. Indiana has 4.5 million drivers. Indiana’s citation rate (excluding warnings) was 131.6 per 100,000 licensed drivers.
- It is estimated that there will be an increase in annual convictions under SF 2337 for using an electronic device while driving. Iowa has 2.3 million drivers. It is assumed that the number of annual citations issued under SF 2337 will total 2,986, which is similar to the rate of citations issued annually in Indiana from 2021 to 2022. However, the estimated number of citations issued during FY 2025 will total 1,493 as a result of the requirement in SF 2337 that warning memorandums be issued in lieu of citations in the first half of FY 2025.
- The collection rate for a scheduled violation is estimated at 59.2%.

Fiscal Impact

Division I of Senate File 2337 is estimated to increase State General Fund revenue by \$51,000 in FY 2025 and increase revenue by \$178,000 per year beginning in FY 2026 compared to estimated FY 2024. Revenue may increase in future years if fewer warnings are given in lieu of tickets. The fiscal impact on other funding sources and the counties is shown in **Figure 1**.

Figure 1 — Estimated Revenue, Current Law vs SF 2337

	Current Law Est. FY 2024	FY 2025	FY 2025 vs FY 2024	FY 2026	FY 2026 vs FY 2024
General Fund					
Penalty Revenue	\$ 32,637	\$ 79,385	\$ 46,749	\$ 158,771	\$ 126,134
Court Fee	44,412	48,612	4,200	97,224	52,812
Subtotal	\$ 77,049	\$ 127,997	\$ 50,949	\$ 255,995	\$ 178,946
Surcharge					
Juvenile Detention	\$ 2,507	\$ 6,099	\$ 3,591	\$ 12,197	\$ 9,690
Victim Compensation	1,744	4,243	2,498	8,485	6,741
Crime Lab	1,090	2,652	1,561	5,303	4,213
DARE	109	265	156	530	421
Subtotal	\$ 5,451	\$ 13,258	\$ 7,807	\$ 26,516	\$ 21,065
Other					
Funds	\$ 3,270	\$ 7,955	\$ 4,684	\$ 15,909	\$ 12,639
EMS Fund	430	1,046	616	2,091	1,661
Total	\$ 86,199	\$ 150,256	\$ 64,056	\$ 300,511	\$ 214,312

Division II — Automatic Traffic Enforcement Prohibited

Description

[Senate File 2337](#) prohibits the use of automatic or remote systems for traffic law enforcement by state or local authorities on and after July 1, 2025. However, any citation issued or mailed pursuant to such an ordinance prior to July 1, 2025, is not invalidated and must be processed according to the provisions of law under which the citation was authorized.

The Bill places information-sharing restrictions on the Department of Transportation (DOT) and the Department of Public Safety (DPS) as it pertains to information collection by automatic traffic enforcement systems (ATEs).

“Automated or remote system for traffic law enforcement” is defined in the Bill as a camera or other optical device designed to work in conjunction with an official traffic control signal or speed-measuring device to identify motor vehicles operating in violation of traffic laws, the use of which results in the issuance of citations sent through the mail or by electronic means.

Background

As of January 2024, the Legislative Services Agency (LSA) is aware of 25 cities and towns in Iowa that operate an ATE system or systems, including Sioux City, Cedar Rapids, Davenport, Muscatine, Fort Dodge, Council Bluffs, Des Moines, Waterloo, Fayette, West Union, LeClaire, Strawberry Point, Hazleton, Hudson, Chester, Buffalo, Bellevue, Miles, Independence, Oelwein, Prairie City, Webster City, Marshalltown, Marion, and Postville. Data is not available at this time regarding the use of ATE systems in additional cities or towns. As of January 15, 2024, the LSA obtained data from Cedar Rapids, Council Bluffs, Davenport, Des Moines, LeClaire, Muscatine,

Waterloo, Buffalo, Fayette, and Marshalltown regarding their current ATE systems. Sioux City recently changed its ATE system provider and does not have accurate data for a full year.

Figure 2 provides data obtained by the LSA related to the number of ATE devices, base cost per violation, vendors’ share of revenues, and local authorities’ share of revenues for the last full fiscal year.

Figure 2 — Data Provided for Fiscal Year 2023

Local Authority	Number Of Mobile ATEs	Total Number of Operating ATEs	Number Of Violations Issued	Number of Violations Collected	Base Fine Per Violation	Vender Revenue	Local Authority Revenue
Buffalo	1	3	10,006	9,359	\$ 75	\$ 145,125	\$ 362,813
Cedar Rapids	2	19	169,696	94,037	75	1,834,563	7,207,857
Coucil Bluffs	0	15	20,299	12,557	100	489,416	849,453
Davenport	4	18	43,452	20,314	65	440,601	1,420,540
Des Moines	3	13	125,768	84,991	65	1,929,663	3,594,696
Fayette	0	2	5,315	4,074	100	138,878	324,049
LeClaire	1	5	62,229	50,533	50	1,664,130	1,703,438
Marshalltown	0	3	5,966	2,952	100	100,000	195,050
Muscatine	1	9	11,577	8,516	75	215,514	510,840
Waterloo	2	25	53,054	26,117	36	942,296	1,166,746

Lowest violation amount. Actual violation may increase depending on miles over the legal speed limit.
Source: Local authorities

Assumptions

All existing ATE devices will cease operation on or before July 1, 2024. **Figure 3** provides the estimated loss of revenue to cities.

Fiscal Impact

The full fiscal impact of **Division II** cannot be estimated due to insufficient data as only 10 of the 25 local authorities that have speed cameras reported to the LSA. Senate File 2337 is estimated to decrease revenue to the 10 reporting local authorities by an estimated \$17.3 million per fiscal year. **Figure 3** includes information reported to the LSA for FY 2023.

Figure 3 — Estimated Annual Local Government Revenue Reduction Compared to FY 2023

Local Authority	Estimated Loss Of Revenue
Buffalo	\$ -362,813
Cedar Rapids	-7,207,857
Coucil Bluffs	-849,453
Davenport	-1,420,540
Des Moines	-3,594,696
Fayette	-324,049
LeClaire	-1,703,438
Marshalltown	-195,050
Muscatine	-510,840
Waterloo	-1,166,746

Note: This information only reflects 10 of 25 local authorities that have reported to the LSA.

Figure 4 — Local Uses for ATE System Revenue

Local Authority	Uses
Buffalo	Public safety expenses
Cedar Rapids	General Fund
Council Bluffs	General Fund
Davenport	General Fund
Des Moines	Des Moines Public Safety Radio System and Iowa Statewide Interoperable Communications System
Fayette	General Fund
LeClaire	General Fund
Marshalltown	General Fund
Muscatine	Police department for personnel costs
Waterloo	General Fund: Police department for equipment
Source: As reported by local authorities.	

Sources

Legislative Services Agency calculations
 Local authorities
 Department of Transportation
 Criminal and Juvenile Justice Planning, Department of Management
 National Conference of State Legislatures
 State of Indiana
 Federal Highway Administration

/s/ Jennifer Acton

March 1, 2024

Doc ID 1446602

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 2340](#) – Illegal Entry or Presence, Prohibition and Enforcement (LSB6048SV)
Staff Contact: Molly Kilker (515.725.1286) molly.kilker@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2340](#) creates a new Iowa Code chapter related to illegal reentry into the State by certain aliens; creates procedures for law enforcement, the Department of Public Safety (DPS), and judicial officers; and establishes criminal offenses.

Senate File 2340 establishes that a person commits an aggravated misdemeanor if the person enters, attempts to enter, or is at any time found in the State under the following circumstances:

- The person has been denied admission to or has been excluded, deported, or removed from the United States.
- The person has departed from the United States while an order of exclusion, deportation, or removal is outstanding.

Under the Bill, a person commits a Class D felony under the following circumstances:

- The person's removal was after a conviction for the commission of two or more misdemeanors involving drugs, crimes against a person, or both.
- The person was excluded pursuant to [8 U.S.C. §1225\(c\)](#) (inspection by immigration officers; expedited removal of inadmissible arriving aliens; referral for hearing) because the defendant was excludable under 8 USC §12282(a)(3)(B).
- The person was removed pursuant to the provisions of [8 U.S.C. ch. 12, subch. V](#) (alien terrorist removal procedures).
- The person was removed pursuant to [8 U.S.C. §1231\(a\)\(4\)\(B\)](#) (detention and removal of aliens).

Under the Bill, a person commits a Class C felony if the person was removed after a conviction for the commission of a felony. A person also commits a Class C felony if they are charged with an offense under the Bill, a judge issued an order for the person to return to the foreign nation from which the person entered, and the person failed to comply with the order.

Senate File 2340 sets rules for peace officers and the DPS that limit locations an individual may be arrested for illegal reentry, tasks required prior to the issuance of a return order, and criminal record reporting requirements.

The Bill creates procedures for the Judicial Branch and judges related to written orders; restricts the use of deferred judgments, sentences or suspended sentences in certain circumstances; and restricts the abatement of prosecution in certain circumstances.

The Bill also provides standards related to civil immunity for and indemnification of local government officials, employees, and contractors.

Background

A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but not more than \$13,660. A Class D felony is punishable by confinement for up to five years

and a fine of at least \$1,025 but not more than \$10,245. An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$855 but not more than \$8,540.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A delay 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 2340 creates new criminal offenses, and the correctional impact cannot be estimated due to a lack of existing conviction data. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for Class C felonies, Class D felonies, and aggravated misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2024, for information related to the correctional system.

Figure 1 — Sentencing Estimate and Length of Stay

Conviction Offense Class	Percent Ordered to State Prison	FY 2023 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY23 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Percent Sentenced to CBC Residential Facility	Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY23 Field Avg LOS on Parole	Marginal Cost Per Day Parole
C Felony (Non-Persons)	86.0%	19.4	\$24.94	64.2%	42.2	\$ 7.67	13.0%	\$ 20.00	34.0%	\$ 50.00	21.3	\$ 7.67
D Felony (Non-Persons)	84.4%	13.0	\$24.94	69.8%	39.5	\$ 7.67	14.5%	\$ 20.00	32.2%	\$ 50.00	15.7	\$ 7.67
Aggravated Misdemeanor (Non-Persons)	30.4%	7.5	\$24.94	45.0%	25.1	\$ 7.67	3.6%	\$ 20.00	71.7%	\$ 50.00	11.9	\$ 7.67

Minority Impact

Senate File 2340 creates new criminal offenses. As a result, Criminal and Juvenile Justice Planning (CJJP) of the Department of Management (DOM) cannot use existing data to estimate the minority impact of the Bill. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 16, 2024, for information related to minorities in the criminal justice system.

Fiscal Impact

Senate File 2340 creates new criminal offenses, and the fiscal impact to the correctional system cannot be estimated due to a lack of existing conviction data. **Figure 2** shows the average State cost per offense for a Class C felony, a Class D felony, and an aggravated misdemeanor. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class C Felony	\$14,300 to \$27,500
Class D Felony	\$12,600 to \$18,200
Aggravated Misdemeanor	\$7,500 to \$10,800

The cost to transport an individual to a port of entry is unknown. Although the fiscal impact cannot be estimated, it may be significant.

Sources

Department of Corrections
Criminal and Juvenile Justice Planning, Department of Management
Department of Public Safety
Judicial Branch
Legislative Services Agency

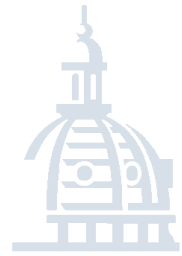
/s/ Jennifer Acton

March 4, 2024

Doc ID 1446852

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

www.legis.iowa.gov



[SF 2381](#) – Health Insurance, Cash Prices and Deductible Credits (LSB1883SV)
Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2381](#) relates to certain cost controls for health care services and does the following:

- Adds the improper denial of claims, as described in the Bill, to the list of unfair methods of competition and unfair or deceptive acts or practices defined in Iowa Code section [507B.4](#).
- Provides requirements for health care providers (providers) establishment and disclosure of discounted cash prices the provider will accept for specific health care services (services). The Bill prohibits a provider from entering into a contract that prevents the provider from offering or disclosing a cash price below the contracted rates the provider has with a health carrier.
- Establishes disclosure requirements regarding deductible credits and for covered persons' out-of-pocket pricing for prescription drugs that meet the conditions in the Bill.
- Establishes disclosure and substitution requirements for health benefit plans regarding the average allowed amount for each health care service.
- Requires credit to be applied towards in-network cost-sharing for covered persons who receive service at a discounted cash price other than the average allowed amount at the lower of the two amounts if the service is provided by an in-network provider.
- Prohibits a health benefit plan from discriminating in the form of payment for an in-network covered service on the basis of the covered person's being referred for the service by an out-of-network provider.
- Establishes payment credit requirements for a covered person's cost-sharing who purchases generic covered prescription drugs for less than the average allowed amounts for the name-brand equivalent.
- Establishes requirements for health-denying claims pursuant to the Bill, including an appeal process and a trigger for an investigation into claim denials by the Commissioner of Insurance (Commissioner).
- Requires health benefit carriers to provide covered persons with a program that rewards the covered person with a savings incentive for medically necessary services received from providers that offer a cash price below the average allowed amount.
- Provides requirements for a provider's initiation or pursuit of a collection action against a person for a debt owed for a service.
- Requires the Department of Administrative Services (DAS) to conduct an analysis of the cost-effectiveness of offering a savings incentive program and deductible credit for State employees and retirees before August 1, 2025, and to submit a report to the General Assembly on or before September 1, 2025, containing an explanation of the implementation decision regarding a savings incentive program or deductible credit program. The Bill requires any such program to be implemented for the 2025 State employee health insurance open enrollment period.

Background

Iowa Code section 507B.4 establishes a list of unfair methods of competition and unfair or deceptive acts or practices with respect to the insurance trade, including but not limited to

misrepresentation and false advertising of insurance policies, unfair discrimination, and unfair claim settlement practices.

Iowa Code section [507B.6](#) permits the Commissioner to issue and serve a statement of charges upon a person who the Commissioner believes has been engaged or is engaging in any unfair method of competition or any unfair or deceptive act or practice that would be in the public interest. At the hearing, the person has the opportunity to be heard and show cause why an order should not be made by the Commissioner to require the person to cease and desist from the acts, methods, or practices complained of.

The 2025 State employee health insurance open enrollment period begins October 2024.

Assumptions

- Providers will be required to make the discounted cash price for health care services available to consumers.
- Insurers will be required to provide the minimum negotiated charge a provider has negotiated with the carrier.
- Health carriers offering prescription drug coverage will be required to make the out-of-pocket pricing for all formulary medications available.
- The Bill may require operational and administrative changes to the insurance plans, which may increase expenses.
- According to the DAS, in order to conduct the analysis of the savings incentive program required by the Bill, the DAS will need to hire an outside consultant with expertise in the subject matter. The outside consultant may cost up to \$495 per hour. The total cost cannot be estimated at this time. The DAS states that any associated fiscal impact is not currently included within their operating budget.
- According to the DAS, any savings that may result from the implementation of the savings incentive program or deductible credit program will be implemented for the 2026 State employee health insurance open enrollment period beginning October 2025.

Fiscal Impact

Senate File 2381 is estimated to increase operational and administrative expenses for the State of Iowa Insurance Plan and the Board of Regents Insurance Plans. However, the fiscal impact cannot be estimated at this time, but may be significant.

The fiscal impact to the DAS to conduct the analysis and complete the report required by the Bill cannot be determined.

Sources

Iowa Insurance Division, Department of Insurance and Financial Services
Department of Administrative Services
Board of Regents
Wellmark
Legislative Services Agency analysis

/s/ Jennifer Acton

March 4, 2024

Doc ID 1447514

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 2383](#) – Preschool Funding (LSB5223SV)
Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2383](#) relates to Statewide Voluntary Preschool Program (SVPP) pupils whose household income is below a certain amount, minimum hours required to be offered, and funding calculations.

The Bill allows each school district to choose at the beginning of each school year between the currently required minimum of 10 hours of instruction per week for an enrolled pupil, or a heightened required number of hours for enrolled pupils whose household family income is below 185.0% of the federal poverty level (FPL) and a required 10 hours per week of instruction for all other pupils. For FY 2025, the increased requirement is a minimum of 15 hours per week of instruction, and for FY 2026 and each succeeding school year, the increased requirement is a minimum of 20 hours per week of instruction.

The Bill requires school districts to allow families of pupils whose household income is below 185.0% of the FPL applicable to the family's size to choose between 10 hours of instruction per week or the minimum hours of instruction established for pupils of families with income below 185.0% of the FPL applicable to the family's size for the pupil.

The Bill changes the calculation for preschool budget enrollment for school districts that choose to follow the heightened hours of instruction requirement for pupils whose household income is below 185.0% of the FPL to the sum of the following number of eligible pupils:

- For the school year beginning July 1, 2024 (FY 2025), 75.0% of eligible pupils who receive 15 hours per week of instruction and whose household income is less than 185.0% of the FPL plus 50.0% of all other eligible pupils; and
- For school years beginning on or after July 1, 2025 (FY 2026), the actual number of eligible pupils who receive 20 hours per week of instruction and whose household income is less than 185.0% of the FPL plus 50.0% of all other eligible pupils. Calculations for preschool budget enrollment for school districts that continue to follow currently required minimum hours of instruction remain unchanged.

Background

A school district with an approved SVPP is funded in part by preschool foundation aid payments. The preschool foundation aid payment is calculated by multiplying the regular program State cost per pupil (SCPP) by the school district's preschool budget enrollment. Currently, the preschool budget enrollment for a given year is calculated by multiplying the number of eligible students enrolled in the preschool program by 50.0%.

According to the U.S. Census Bureau, approximately 22.2% of Iowa families have a household income below 185.0% of the FPL.

Assumptions

- The number of school districts that would choose to participate in the expanded SVPP in FY 2025 and FY 2026 cannot be determined because future school district decisions cannot be estimated.
- The number of families that would choose to participate in the expanded SVPP in FY 2025 and FY 2026 cannot be determined because future family decisions cannot be estimated.
- In Iowa, 22.2% of the population has a household income below 185.0% of the FPL, and this will be the same for all pupils eligible for the SVPP.
- There will be 29,415 pupils participating in the SVPP, and 6,530 pupils will qualify for additional funding.
- The SCPP will remain at \$7,635.
- The FY 2024 SCPP is \$7,635, and the SVPP is funded at 50.0% (\$3,818). An increase to 75.0% would increase the payments to \$5,726 per eligible pupil in FY 2025, an increase of \$1,909 compared to FY 2024 per pupil. An increase to 100.0% would increase the payments to \$7,635 per eligible pupil in FY 2026, an increase of \$1,909 compared to estimated FY 2025.

Fiscal Impact

Senate File 2383 will have an unknown fiscal impact since the future decisions of school districts and families cannot be known. However, if 22.2% (6,530) of SVPP pupils qualify for additional funding, the maximum fiscal impact on the General Fund for FY 2025 would be an estimated increase of \$12.5 million (6,530 × \$1,909) compared to estimated FY 2024, and the impact for FY 2026 would be an increase of \$12.5 million (6,530 × \$1,909) compared to estimated FY 2025.

Sources

U.S. Census Bureau, Current Population Survey, 2023 Annual Social and Economic Supplement (CPS ASEC)
Iowa Department of Education, Bureau of Information and Analysis Services, Student Reporting in Iowa 2023-2024 fall enrollment file
LSA analysis and calculations

/s/ Jennifer Acton

March 4, 2024

Doc ID 1446650

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 2397](#) – Captive Insurance Companies, Reinsurance Tax (LSB5285SV)
 Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov
 Fiscal Note Version – New

Description

[Senate File 2397](#) relates to the taxation of captive companies. The Bill amends the amount of reinsurance tax due from a captive company on assumed reinsurance premiums written.

The Bill takes effect upon enactment.

Background

2023 Iowa Acts, [Senate File 549](#) (Captive Insurance Act), allowed for the formation of captive insurance companies and protected cell captive companies, established tax rates for captive insurance premiums, established requirements for the operation of captive insurance companies and protected cell captive companies, and created the Captive Insurance Regulatory and Supervision Fund.

Captive insurance companies are a form of self-insurance in which the insurance provider is owned entirely by the insurance holder. Captive insurance companies often work with traditional companies and may be an option for businesses to manage risks by underwriting their own insurance rather than paying premiums to a third-party insurer.

Current and proposed reinsurance tax rates due from captive companies on assumed reinsurance premiums are shown in **Figure 1** below.

Figure 1 — Reinsurance Premium Tax Rate Changes in SF 2397

	Amount of Assumed Reinsurance Premiums Written			
	<small>(Dollars in Millions)</small>			
	<u>\$0.0 to \$20.0</u>	<u>\$20.0 to \$40.0</u>	<u>\$40.0 to \$60.0</u>	<u>\$60.0 and Above</u>
Current Law	0.200%	0.125%	5.000%	5.000%
Proposed Law	0.200%	0.125%	0.045%	0.020%

Assumption

Changes in reinsurance tax rates for captive insurance premiums may have an impact on revenue collected in the Captive Insurance Regulatory and Supervision Fund, but the amount cannot be estimated, as there is not currently a market for captive insurance in the State.

Fiscal Impact

Senate File 2397 may decrease tax revenue to the Captive Insurance Regulatory and Supervision Fund in future years, as the Bill reduces the tax collected on each captive insurance company’s reinsurance premiums that are in excess of \$40.0 million annually.

Reinsurance premium taxes collected on a captive insurance company’s reinsurance premiums written between \$40.0 million and \$60.0 million will reduce from 5.000% to 0.045%, a 99.1% reduction. Reinsurance premium taxes collected on a captive insurance company’s reinsurance

premiums written in excess of \$60.0 million will reduce from 5.000% to 0.020%, a 99.6% reduction.

There are not currently any reinsurance premium taxes collected on captive insurance companies; therefore, the fiscal impact to the State cannot be determined.

Sources

Iowa Insurance Division, Department of Insurance and Financial Services
Legislative Services Agency analysis

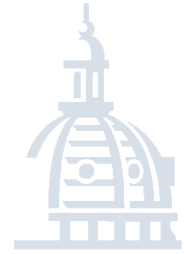
/s/ Jennifer Acton

March 4, 2024

Doc ID 1447569

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

www.legis.iowa.gov



[SF 2398](#) – Individual Income Tax, Property Tax, and State Funds (LSB5398SV)
 Staff Contact: Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov
 Fiscal Note Version – New

Description

[Senate File 2398](#) decreases individual income tax rates beginning in tax year (TY) 2024. The Bill does the following:

- Eliminates the bracketed individual income tax rates that go into effect in TY 2024 and TY 2025 and establishes flat individual income tax rates of 3.65% in TY 2024 and 3.50% for tax years beginning on or after January 1, 2025. Currently, a flat individual income tax rate of 3.90% is scheduled to go into effect beginning in TY 2026.
- Eliminates references to calculating the latest cumulative inflation factors in Iowa Code chapter [422](#) due to removing income tax brackets.
- Repeals the alternative individual income tax rates.

The Bill takes effect upon enactment and applies retroactively to tax years beginning on or after January 1, 2024.

Background

Current individual income tax rates for TY 2024, TY 2025, and tax years beginning January 1, 2026, were set in 2022 Iowa Acts, [House File 2317](#) (Income Tax Rate Reduction and Exemptions Act). **Figure 1** details [current](#) and proposed tax rates for single filers by tax year, while **Figure 2** details current and proposed tax rates for married filers by tax year.

Figure 1 — Individual Income Tax Rates (Single Filer)

Income — Single Filer	Current Law			Senate File 2398		
	TY 2024	TY 2025	TY 2026+	TY 2024	TY 2025	TY 2026+
\$0 to \$6,210	4.40%	4.40%	3.90%	3.65%	3.50%	
\$6,210 to \$31,050	4.82%	4.82%		3.65%	3.50%	
\$31,050+	5.70%					

Figure 2 — Individual Income Tax Rates (Married Filers)

Income — Married Filers	Current Law			Senate File 2398		
	TY 2024	TY 2025	TY 2026+	TY 2024	TY 2025	TY 2026+
\$0 to \$12,420	4.40%	4.40%	3.90%	3.65%	3.50%	
\$12,420 to \$62,100	4.82%	4.82%		3.65%	3.50%	
\$62,100+	5.70%					

Assumptions

- The tax reduction estimate is based on income tax returns filed for TY 2022 and is time-adjusted for previously enacted State and federal law changes, as well as personal income and population changes that are projected to occur after the 2022 base tax year.
- Temporary federal law changes under the [Tax Cut and Jobs Act of 2017](#) are assumed to expire after TY 2025. The Iowa individual income tax revisions under 2018 Iowa Acts,

[Senate File 2417](#) (Income and Sales Tax Modification Act), and 2022 Iowa Acts, House File 2317, are incorporated as current law for applicable years.

- The Iowa withholding reduction effect is assumed to start April 2024, considering the time needed for employers to revise their withholding calculation. As a result, the majority impact of TY 2024 would be realized in FY 2025.
- Tax year results are converted to fiscal year estimates using historical relationships between income tax withholding, estimate payments, tax refunds, and payments with filed tax returns.
- The [income surtax for schools](#) is a local option tax that is based on a taxpayer's Iowa income tax liability. Law changes that lower Iowa income tax liability also lower the amount of income surtax owed by any taxpayer subject to the surtax. For this projection, the surtax is assumed to equal 2.5% of State individual income tax liability.

Fiscal Impact

The individual income tax rate changes in Senate File 2398 are projected to decrease net individual income tax liability and State General Fund revenue by the following amounts:

- FY 2024 = \$279.3 million
- FY 2025 = \$1,627.4 million
- FY 2026 = \$901.3 million
- FY 2027 = \$377.7 million
- FY 2028 = \$385.2 million
- FY 2029 = \$396.3 million
- FY 2030 = \$408.0 million

The decrease in tax liability is also projected to decrease the statewide local option income surtax for schools by the following amounts:

- FY 2024 = \$0.0 million
- FY 2025 = \$35.1 million
- FY 2026 = \$28.8 million
- FY 2027 = \$9.1 million
- FY 2028 = \$9.4 million
- FY 2029 = \$9.7 million
- FY 2030 = \$9.9 million

Sources

Iowa Department of Revenue
Legislative Services Agency analysis

/s/ Jennifer Acton

March 1, 2024

Doc ID 1447286

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 2278](#) – School Bus Open Enrollment (LSB1362HZ.1)
Staff Contact: Jacob Ludwig (515.725.0155) jacob.ludwig@legis.iowa.gov
Fiscal Note Version – As amended and passed by the House

Description

[House File 2278](#) establishes new standards for the transportation of students between districts based on the size of the districts, contiguity, and proximity of pupils to their respective attendance centers in the districts where they are open enrolling. The Bill removes the requirement that the school boards of the resident and receiving school district agree to the arrangement. The school boards may form agreements allowing a receiving school district to transport students irrespective of the established standards.

Background

Current law authorizes a receiving school district to send school vehicles into the district of residence of a student who open enrolls and to transport the student to and from school in the receiving school district. However, districts are not required to transport students who do not reside in the district. A district may transport a nonresident student, but if it does, the district must charge that student's parent a fee under Iowa Code section [285.1](#) unless the open-enrolled student is entitled to transportation. The fee is determined by the average actual cost for all the children transported in all school buses in the district.

Open-enrolled students are entitled to transportation only if they fall below certain income thresholds. Those students' resident districts are required to provide transportation and have three options for providing that transportation:

- Provide bus transportation to the receiving school district.
- Allow buses from the receiving school district to enter the resident district's lines to pick up the student.
- Provide reimbursement based on the formula in Iowa Code section 285.1.

Approximately 39,000 Iowa students were open enrolled when certified enrollments were determined on October 1, 2022, for the 2022-2023 school year. Each of the 327 school districts in the State reported at least one student served through an open enrollment arrangement.

Assumptions

- The statewide average cost of transporting a student is \$669 for the 2023-2024 school year.
- It is unknown how many students wish to receive transportation services from the school district into which they have open enrolled but have been denied by their resident school district.

Fiscal Impact

There is no fiscal impact to the State.

There may be a fiscal impact to school districts that choose to provide transportation to students who open enroll. This cost cannot be determined since it would vary across school districts and specific student situations. Additionally, the cost would be voluntarily incurred by school districts since they are not required to provide the transportation. Those school districts could be reimbursed for at least part of the transportation cost by fees paid by the parents of the students.

Source

Department of Education
Legislative Services Agency

/s/ Jennifer Acton

March 1, 2024

Doc ID 1447498

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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