

**EIGHTY-FIFTH GENERAL ASSEMBLY  
2014 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

MARCH 19, 2014

**SENATE FILE 2318**

**S-5076**

1 Amend Senate File 2318 as follows:  
2 1. Page 5, after line 24 by inserting:  
3 <d. Rules adopted pursuant to this subsection  
4 shall include but not be limited to a requirement to  
5 train applicable school personnel on identification  
6 of the signs and symptoms of harassment and bullying;  
7 harassment and bullying prevention strategies; the  
8 definition of free speech as provided by the first  
9 amendment of the Constitution of the United States and  
10 Article I, section 7 of the Constitution of the State  
11 of Iowa; harassment and bullying response strategies;  
12 and harassment and bullying intervention methods.>

**By** MARK CHELGREN

**S-5076** FILED MARCH 18, 2014  
RULED OUT OF ORDER

**HOUSE FILE 159**

**S-5077**

1 Amend House File 159, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 1, by striking <2013> and inserting  
4 <2014>

**By** RICH TAYLOR

**S-5077** FILED MARCH 18, 2014

**HOUSE FILE 2183**

**S-5078**

1 Amend House File 2183, as passed by the House, as  
2 follows:  
3 1. Page 1, line 6, by striking <the district court  
4 in that county> and inserting <the appropriate court>  
5 2. Page 1, line 27, after <3.> by inserting <An  
6 agreement entered into under this paragraph shall not  
7 negate any obligations of a city utility, combined city  
8 utility, city enterprise, or combined city enterprise  
9 under section 384.84.>  
10 3. Page 1, after line 33 by inserting:  
11 <(3) The board shall adopt rules for the  
12 discontinuance of water service under this paragraph.  
13 A public utility shall only discontinue water service  
14 under this paragraph in accordance with the rules  
15 adopted pursuant to this subparagraph.>

**By** RITA HART

**S-5078** FILED MARCH 18, 2014



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**SF 2338** – Compressed Natural Gas Taxation (LSB 5791SZ)  
Analyst: Adam Broich (Phone: (515) 281-8223) ([adam.broich@legis.iowa.gov](mailto:adam.broich@legis.iowa.gov))  
Fiscal Note Version – As passed by the Senate Ways and Means Committee

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**Description**

**Senate File 2338** revises the calculation that determines excise tax on compressed natural gas (CNG) used as special fuel. The calculation is amended to make CNG excise tax equivalent to the motor fuel tax by establishing a gallon equivalent. This Bill also creates a new calculation to determine liquefied natural gas (LNG) use as special fuel. The rates are set as follows:

- **Compressed Natural Gas:** A gasoline gallon equivalent of CNG is 5.66 pounds or 126.67 cubic feet measured at 60 degrees Fahrenheit. This gallon equivalent of CNG is taxed at 21 cents.
- **Liquefied Natural Gas:** A diesel gallon equivalent of LNG is 6.06 pounds, and is taxed at 22.5 cents.

**Background**

Compressed and liquified natural gas are currently taxed using gallon equivalents. A gasoline gallon equivalent of CNG is 100 cubic feet at a temperature of 60 degrees Fahrenheit.

The Department of Revenue reports that \$52,700 in tax was collected for CNG using the current gallon equivalents.

**Assumptions**

Consumption of CNG in Iowa has increased from 63,000 gallon equivalents in FY 2012 to 329,000 gallon equivalents in FY 2013. Taxes collected were \$10,100 and \$52,600, respectively. This fiscal note compares the current CNG equivalency formula to the formula proposed in **SF 2338**. This fiscal note does not project further change in CNG consumption.

**Fiscal Impact**

The revision of the CNG excise tax formula will have a minimal fiscal impact on the Road Use Tax Fund. If applied to FY 2013 gallon equivalents, the proposed formula will increase revenue by \$1,900. In FY 2013, no tax was collected for LNG.

**Sources**

Department of Transportation  
Department of Revenue

/s/ Holly M. Lyons

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March 18, 2014

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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 2341** – Automobile Racetrack Facility, Sales Tax Rebates (LSB 5535SV)  
Analyst: Shawn Snyder (Phone: (515) 281-7799) ([shawn.snyder@legis.iowa.gov](mailto:shawn.snyder@legis.iowa.gov))  
Fiscal Note Version – New

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**Description**

**Senate File 2341** modifies requirements pertaining to the sales tax rebates for the Iowa Speedway. Changes include:

- The definition of “change of control” was modified to remove the requirement that the original owners retain 25.0% of voting equity interest.
- The definition of Iowa corporation by renaming it Iowa business and allowing a limited liability company (LLC) to qualify for the sales tax rebate.
- Elimination of the requirement that at least 25.0% of the corporation of equity interests be owned by Iowa residents.
- Extends the repeal date by 10 years (to June 30, 2016), if the sales tax rebate cap has not been exhausted by that time.

This Bill is effective on enactment and applies retroactively to November 2013.

**Background**

The sales tax rebate provision was originally enacted during the 2005 Legislative Session and included a total rebate cap of \$12.5 million and an expiration date of June 30, 2016, if the rebate cap had not been reached prior to the expiration date. Through FY 2013, the rebate amount has totaled \$3.1 million.

The Iowa Speedway was purchased by NASCAR in November 2013. Because of the ownership provision requirements specified in Iowa Code section [423.4\(5a\)](#), the owners will not be eligible to receive any sales tax rebates under current law.

**Assumptions**

The remaining sales tax rebate capacity totals approximately \$9.4 million and is assumed to be exhausted prior to the expiration date of June 30, 2026. The average annual rebated amount from FY 2007 through FY 2013 was approximately \$424,000. However, the specific annual amount under this proposal is currently unknown.

**Fiscal Impact**

The specific annual fiscal impact is unknown, but will likely be at least \$400,000 annually beginning in FY 2015. The total fiscal impact will not exceed \$9.4 million and may extend through FY 2027.

**Sources**

Iowa Speedway Website: <http://www.iowaspeedway.com>  
[LSA Fiscal Topic, Tax Increment Financing - Sales Tax](#)  
LSA analysis

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/s/ Holly M. Lyons

March 18, 2014

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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 2194** – Supplemental State Aid (LSB 6095S5059)

Analyst: Shawn Snyder (Phone: 515-281-7799) ([shawn.snyder@legis.iowa.gov](mailto:shawn.snyder@legis.iowa.gov))

Fiscal Note Version – As amended by S-5059

### **Description**

Senate amendment **S-5059** to **HF 2194** requires a 6.0% State percent of growth rate to be applied to each of the regular school aid State cost per pupil amounts for FY 2016.

### **Background**

The school aid formula provides funding through a mix of State aid and property tax to school districts and area education agencies (AEAs). In general, funding is generated on a per pupil basis with the per pupil amounts providing an overall budget limitation. There are five FY 2016 State cost per pupil funding levels that will be increased by a 6.0% State percent of growth for FY 2016. The following table provides the supplemental State aid amounts (also referred to as per pupil growth amounts) and State cost per pupil amounts for FY 2016 based on a 6.0% growth rate. The supplemental State aid amounts will be applied to all corresponding district and AEA cost per pupil amounts.

<b>Regular School Aid Per Pupil Components</b>	<b>FY 2015 State Cost Per Pupil Amount</b>	<b>FY 2016 State Percent of Growth</b>	<b>Supplemental State Aid</b>	<b>FY 2016 State Cost Per Pupil</b>
Regular Program	\$ 6,366.00	6.0%	\$ 382.00	\$ 6,748.00
Special Education Program	6,366.00	6.0%	382.00	6,748.00
AEA Special Education Support	279.53	6.0%	17.00	296.53
AEA Media Services	52.11	6.0%	3.00	55.11
AEA Educational Services	57.51	6.0%	3.00	60.51

In addition to the State percent of growth and supplemental State aid for FY 2016, enrollments, weightings, and taxable valuations within each school district have an impact on the amount of total school aid funding, including the amount of State aid and local property tax required to generate the total funding amount.

### **Assumptions**

Assumptions include:

- Enrollments include the October 2013 certified enrollments and Department of Education enrollment projections for FY 2016.
- The FY 2015 supplementary weightings are based on the preliminary data from fall 2013. The FY 2016 estimates assume a 1.0% increase in special education weightings, a 1.0% increase in at-risk weightings, a 7.0% increase in English-as-second-language (ESL) weightings, and a decrease of 10.0% for sharing weightings.
- Statewide taxable valuation growth of 3.0% for FY 2015 and 3.54% for FY 2016. Based on these assumptions, the statewide total for the uniform levy is estimated to account for \$39.1

million of the school foundation property tax change in FY 2016 (including the uniform levy portion of the commercial/industrial rollback replacement payment). The estimated increase in the uniform levy amount is not impacted by the establishment of State percent of growth rate.

- Property tax adjustment aid amounts are based on the statewide taxable valuation growth factor applied to each school district's FY 2016 taxable valuation amount.
- State aid includes funding from the State General Fund and other funds appropriated or deposited in the Property Tax Equity and Relief (PTER) Fund that is used to provide additional property tax relief through the school aid formula.
- Establishing an FY 2016 State percent of growth will also impact the amount of funding generated for the Statewide Voluntary Preschool Program. Funding for the Program is provided with State General Fund dollars and is included in the overall State aid total.
- Districts eligible for the 101.0% budget adjustment will approve use of that provision. The Legislative Services Agency (LSA) estimate includes a total budget adjustment of \$3.3 million, based on the FY 2016 State percent of growth and budget enrollment projections.
- Beginning in FY 2015, funding for the additional \$15.0 million State aid reduction to AEAs implemented in FY 2014 will be restored.

### **Fiscal Impact**

**HF 2194** as amended by S-5059, will include the following fiscal impacts:

- An increase in the FY 2016 State General Fund expenditure for State school aid of \$175.4 million. This includes \$167.5 million for regular school aid and \$7.9 million for preschool aid.
- An estimated net increase in FY 2016 of \$59.9 million in school aid property taxes. This amount includes an increase of \$39.1 million for the uniform levy, \$39.2 million for all components of the additional levy, and a reduction of \$18.4 million due to school aid property tax portion of the commercial/industrial rollback replacement payment.

Any legislative action impacting FY 2015 school aid provisions will have an impact on FY 2016 school aid amounts. Additionally, any variations in the assumptions noted may result in significant changes in the FY 2016 estimates provided in the following table.

### **Sources**

Iowa Department of Education, Certified Enrollment and Enrollment Projections file  
Iowa Department of Management, School Aid file  
Iowa Department of Revenue  
LSA analysis and calculations

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/s/ Holly M. Lyons

March 18, 2014

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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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