EIGHTY-FIFTH GENERAL ASSEMBLY
2014 REGULAR SESSION
DAILY

SENATE CLIP SHEET

APRIL 8, 2014

SENATE FILE 2347

S-5126

Amend Senate File 2347 as follows:

1. Page 14, after line 8 by inserting:

<Notwithstanding section 8.33, moneys received by the department pursuant to this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes specified in this subsection for the following fiscal year.>

2. Page 14, line 24, by striking <lettered paragraph> and inserting <~~lettered paragraph~~ subsection>

3. Page 14, line 27, by striking <lettered paragraph> and inserting <~~lettered paragraph~~ subsection>

4. Page 22, line 34, by striking <$250,000 nor more than> and inserting <~~$250,000 nor more than~~>

5. Page 24, after line 20 by inserting:

<Sec. ___. 2013 Iowa Acts, chapter 141, is amended by adding the following new section:

NEW SECTION. SEC. 27A. PERSONNEL SETTLEMENT AGREEMENT PAYMENTS. As a condition made to any appropriation to the department for the blind, the college student aid commission, the department of education, or the state board of regents in this Act, and as a condition to the fees established to finance the activities of the board of educational examiners pursuant to section 272.10, the moneys appropriated and any other moneys available for use by an entity specified in this Act shall not be used for payment of a personnel settlement agreement between that entity and a state employee that contains a confidentiality provision intended to prevent public disclosure of the agreement or any terms of the agreement.>

6. Page 25, line 30, after <proficient> by inserting <, to school districts that have large numbers of students determined to be limited English proficient, or to school districts that have an exceptional diversity of languages of origin spoken by students determined to be limited English proficient>

7. By renumbering as necessary.

By BRIAN SCHOENJAHN

S-5126 FILED APRIL 7, 2014
ADOPTED

SENATE FILE 2347

S-5127

Amend Senate File 2347 as follows:

1. Page 26, after line 34 by inserting:

<Sec. ___. Section 261.87, subsection 3, paragraph b, Code 2014, is amended to read as follows:

b. A qualified student at a four-year eligible institution may receive scholarships for not more than the equivalent of ~~two~~ four full-time semesters of undergraduate study, or the trimester or quarter equivalent.>

2. By renumbering as necessary.

By MARK CHELGREN
NANCY J. BOETTGER

S-5127 FILED APRIL 7, 2014
LOST

SENATE FILE 2347

S-5128

Amend Senate File 2347 as follows:

1. Page 4, by striking line 30 and inserting <6,304,047>

2. Page 4, by striking lines 32 through 35.

3. Page 11, after line 31 by inserting:

<16A. MANDATORY REPORTER TRAINING

For a mandatory reporter training program that uses a curriculum that has been approved by the director of public health, pursuant to section 135.11, for school administrators and educators required to meet the training requirements of section 232.69:
..... $ 1,000,000

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall be available for expenditure for purposes designated in this subsection for subsequent fiscal years.>

4. By renumbering as necessary.

By JAKE CHAPMAN

S-5128 FILED APRIL 7, 2014
LOST

SENATE FILE 2347

S-5129

Amend Senate File 2347 as follows:

1. Page 18, after line 15 by inserting:

<It is the intent of the general assembly that as a condition of receiving the increased funding provided in this lettered paragraph, the state board shall not authorize any increase in tuition for fiscal year 2014-2015.>

2. Page 21, after line 5 by inserting:

<It is the intent of the general assembly that as a condition of receiving the increased funding provided in this lettered paragraph, the state board shall not authorize any increase in tuition for fiscal year 2014-2015.>

3. Page 22, after line 6 by inserting:

<It is the intent of the general assembly that as a condition of receiving the increased funding provided in this lettered paragraph, the state board shall not authorize any increase in tuition for fiscal year 2014-2015.>

By MARK CHELGREN
BRIAN SCHOENJAHN

S-5129 FILED APRIL 7, 2014
LOST

Amend the amendment, S-5126, to Senate File 2347 as follows:

1. Page 1, after line 39 by inserting:

<___. Page 36, after line 24 by inserting:

<DIVISION ___

PUBLIC EMPLOYEE SETTLEMENT AGREEMENTS AND DISCIPLINARY ACTIONS

Sec. ___. Section 22.7, subsection 11, paragraph a, subparagraph (5), Code 2014, is amended to read as follows:

(5) The fact that the individual resigned in lieu of termination, was discharged, or was demoted as the result of a final disciplinary action upon the exhaustion of all applicable contractual, legal, and statutory remedies, and the documented reasons and rationale for the resignation in lieu of termination, the discharge, or the demotion.

Sec. ___. NEW SECTION. 22.13A Personnel settlement agreements — state employees — confidentiality — disclosure.

1. For purposes of this section:

a. "Personnel settlement agreement" means a binding legal agreement between a state employee and the state employee's employer, subject to section 22.13, to resolve a personnel dispute including but not limited to a grievance. "Personnel settlement agreement" does not include an initial decision by a state employee's immediate supervisor concerning a personnel dispute or grievance.

b. "State employee" means an employee of the state who is an employee of the executive branch as described in sections 7E.2 and 7E.5.

2. Personnel settlement agreements shall not contain any confidentiality or nondisclosure provision that attempts to prevent the disclosure of the personnel settlement agreement. In addition, any confidentiality or nondisclosure provision in a personnel settlement agreement is void and unenforceable.

3. The requirements of this section shall not be superseded by any provision of a collective bargaining agreement.

4. All personnel settlement agreements shall be made easily accessible to the public on an internet site maintained as follows:

a. For personnel settlement agreements with an employee of the executive branch, excluding an employee of the state board of regents or institution under the control of the state board of regents, by the department of administrative services.

b. For personnel settlement agreements with an employee of the state board of regents or institution under the control of the state board of regents, by the state board of regents.

Sec. ___. IMPLEMENTATION PROVISION. This division of this Act shall not be construed to limit or impair the ability of law enforcement personnel to investigate any activity that may violate the laws of the state.

Sec. ___. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. ___. RETROACTIVE APPLICABILITY. The following provision of this division of this Act applies retroactively to January 1, 2004:

1. The section of this division of this Act amending section 22.7, subsection 11.>

___. Title page, by striking lines 1 through 5 and inserting <An Act relating to state finances and public employment by appropriating moneys to the college student aid commission, the department for the blind, the department of education, and the state board of regents, and providing for related matters, and including effective date and retroactive applicability provisions.>>

By JULIAN B. GARRETT

S-5130 FILED APRIL 7, 2014
RULED OUT OF ORDER

SENATE FILE 2347

S-5133

Amend the amendment, S-5129, to Senate File 2347 as follows:

1. Page 1, line 6, by striking <tuition> and inserting <the resident undergraduate tuition rate>

2. Page 1, line 12, by striking <tuition> and inserting <the resident undergraduate tuition rate>

3. Page 1, line 18, by striking <tuition> and inserting <the resident undergraduate tuition rate>

By MARK CHELGREN

S-5133 FILED APRIL 7, 2014
ADOPTED

SENATE FILE 2349

S-5134

Amend Senate File 2349 as follows:

1. Page 2, after line 25 by inserting:

<g. For restoration and improvements, including restoration of the chapel, at the museum at Fort Des Moines:

FY 2014-2015:

..... $ 100,000>

2. Page 6, line 32, by striking <10,100,000> and inserting <10,280,000>

3. Page 7, after line 16 by inserting:

<(5) Of the amount appropriated in this lettered paragraph, $180,000 shall be allocated to a county with a population between 36,000 and 37,000 as determined by the 2010 federal decennial census for improvements to recreational trails.>

4. Page 19, after line 33 by inserting:

<DIVISION ___
MISCELLANEOUS

Sec. ___. LEASED OFFICE SPACE — REQUEST FOR PROPOSALS. For the period beginning July 1, 2014, and ending June 30, 2019, notwithstanding section 8A.321, subsection 6, paragraph "c", the department of administrative services shall not issue a request for proposals for leasing privately owned office space for state employees in the downtown area of the city of Des Moines. The department shall instead lease office space from a bidder who agrees to enter into a lease agreement with the department of administrative services under substantially the same terms and conditions as provided in the applicable proposal that was awarded to the bidder pursuant to a request for proposals conducted as required by section 8A.321, subsection 6, paragraph "c", subparagraph (1), Code 2014, on or after January 1, 2012, to lease office space for state employees in the downtown area of the city of Des Moines.>

5. By renumbering as necessary.

By MATT McCOY

S-5134 FILED APRIL 7, 2014

HOUSE FILE 2444

S-5131

Amend House File 2444, as passed by the House, as follows:

1. Page 1, after line 30 by inserting:

<Sec. ___. Section 452A.3, subsection 1, unnumbered paragraph 1, Code 2014, is amended to read as follows:

Except as otherwise provided in this section and in this division, until June 30, ~~2014~~ 2015, this subsection shall apply to the excise tax imposed on each gallon of motor fuel used for any purpose for the privilege of operating motor vehicles in this state.

Sec. ___. Section 452A.3, subsection 1A, Code 2014, is amended to read as follows:

1A. Except as otherwise provided in this section and in this division, after June 30, ~~2014~~ 2015, an excise tax of twenty cents is imposed on each gallon of motor fuel used for any purpose for the privilege of operating motor vehicles in this state.>

2. Page 2, after line 25 by inserting:

<Sec. ___. EFFECTIVE UPON ENACTMENT. The following provision or provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment: 1. The sections of this Act amending section 452A.3.>

3. Title page, line 5, before <retroactive> by inserting <effective date and>

4. By renumbering as necessary.

By ROBERT M. HOGG

S-5131 FILED APRIL 7, 2014
ADOPTED

Amend House File 2444, as passed by the House, as follows:

1. Page 1, after line 30 by inserting:

<Sec. ___. Section 452A.3, subsection 1, unnumbered paragraph 1, Code 2014, is amended to read as follows:

Except as otherwise provided in this section and in this division, until ~~June 30~~ December 31, 2014, this subsection shall apply to the excise tax imposed on each gallon of motor fuel used for any purpose for the privilege of operating motor vehicles in this state.

Sec. ___. Section 452A.3, subsection 1A, Code 2014, is amended by striking the subsection and inserting in lieu thereof the following:

1A. a. Except as otherwise provided in this section and in this division, beginning January 1, 2015, this subsection shall apply to the excise taxes imposed on each gallon of motor fuel used for any purpose for the privilege of operating motor vehicles in this state.

b. An excise tax is imposed on each gallon of ethanol blended gasoline in an amount equal to the sum of sixteen cents per gallon plus five percent of the statewide average retail price of a gallon of ethanol blended gasoline. The portion of the excise tax that is based on the statewide average retail price shall be computed by the department and adjusted annually on January 1 by calculating five percent of the statewide average retail price of a gallon of ethanol blended gasoline, exclusive of federal excise taxes and the sixteen-cent per gallon portion of the state excise tax, for the twelve-month period beginning October 1 and ending September 30 immediately preceding the calendar year in which the adjusted tax rate will take effect.

c. An excise tax is imposed on each gallon of nonethanol blended gasoline in an amount equal to the sum of sixteen cents per gallon plus five percent of the statewide average retail price of a gallon of nonethanol blended gasoline. The portion of the excise tax that is based on the statewide average retail price shall be computed by the department and adjusted annually on January 1 by calculating five percent of the statewide average retail price of a gallon of nonethanol blended gasoline, exclusive of federal excise taxes and the sixteen-cent per gallon portion of the state excise tax, for the twelve-month period beginning October 1 and ending September 30 immediately preceding the calendar year in which the adjusted tax rate will take effect.

d. The department shall adopt rules prescribing

the process for computing the portion of the excise tax under paragraph "b" that is based on the statewide average retail price of a gallon of ethanol blended gasoline and the portion of the excise tax under paragraph "c" that is based on the statewide average retail price of a gallon of nonethanol blended gasoline.

Sec. ___. Section 452A.3, subsections 1B and 1C, Code 2014, are amended by striking the subsections.

Sec. ___. Section 452A.3, subsection 3, Code 2014, is amended to read as follows:

3. a. For the privilege of operating motor vehicles or aircraft in this state, there is imposed an excise tax on the use of special fuel in a motor vehicle or aircraft.

(1) (a) ~~The tax~~ Beginning January 1, 2015, the rate of the excise tax on special fuel for diesel engines of motor vehicles is ~~twenty-two and one-half~~ an amount equal to the sum of eighteen cents per gallon plus five percent of the statewide average retail price of a gallon of special fuel for diesel engines of motor vehicles. The portion of the excise tax that is based on the statewide average retail price shall be computed by the department and adjusted annually on January 1 by calculating five percent of the statewide average retail price of a gallon of special fuel for diesel engines of motor vehicles, exclusive of federal excise taxes and the eighteen-cent per gallon portion of the state excise tax, for the twelve-month period beginning October 1 and ending September 30 immediately preceding the calendar year in which the adjusted tax rate will take effect.

(b) The department shall adopt rules prescribing the process for computing the portion of the excise tax that is based on the statewide average retail price of a gallon of special fuel for diesel engines of motor vehicles.

(2) The rate of tax on special fuel for aircraft is three cents per gallon.

(3) On all other special fuel, unless otherwise specified in this section, the per gallon rate is the same as the ~~motor fuel~~ tax on nonethanol blended gasoline.

b. Indelible dye meeting United States environmental protection agency and internal revenue service regulations must be added to fuel before or upon withdrawal at a terminal or refinery rack for that fuel to be exempt from tax and the dyed fuel may be used only for an exempt purpose.

Sec. ___. Section 452A.3, Code 2014, is amended by

adding the following new subsection:
NEW SUBSECTION. 6A. By December 15 of each year, the director shall cause an advisory notice to be published in the Iowa administrative bulletin and in a newspaper of general circulation in this state, stating the rate of excise taxes established pursuant to subsection 1A and subsection 3, paragraph "a", subparagraph (1), that will take effect the following January 1.
Sec. ___. Section 452A.3, subsection 4, as amended by 2014 Iowa Acts, Senate File 2338, section 3, is amended to read as follows:
4. For compressed natural gas used as a special fuel, the rate of the excise tax is ~~twenty-one cents per gallon~~ the rate imposed for nonethanol blended gasoline under subsection 1A, paragraph "c".
Sec. ___. Section 452A.3, subsection 4A, as enacted by 2014 Iowa Acts, Senate File 2338, section 4, is amended to read as follows:
4A. For liquefied natural gas used as a special fuel, the rate of the excise tax is ~~twenty-two and one-half cents per gallon~~ the rate imposed for special fuel for diesel engines of motor vehicles under subsection 3, paragraph "a", subparagraph (1).>
2. Page 2, after line 25 by inserting:
<Sec. ___. 2005 Iowa Acts, chapter 178, section 41, subsection 3, is amended to read as follows:
3. REPEAL. This section is repealed effective July 1, ~~2015~~ 2025.
Sec. ___. APPLICABILITY — INVENTORY TAX. Notwithstanding section 452A.85, persons who have title to motor fuel, ethanol blended gasoline, undyed special fuel, compressed natural gas, liquefied natural gas, or liquefied petroleum gas in storage and held for sale on the effective date of an increase in the rate of excise tax imposed on motor fuel, ethanol blended gasoline, undyed special fuel, compressed natural gas, liquefied natural gas, or liquefied petroleum gas pursuant to this Act shall not be subject to an inventory tax on the gallonage in storage as provided in section 452A.85 as a result of any tax increase due to implementation of this division of this Act.
Sec. ___. EFFECTIVE DATES.
1. Except as provided in subsection 2, this division of this Act takes effect January 1, 2015.
2. The section of this division of this Act amending section 452A.64 takes effect July 1, 2014.>
3. Title page, line 5, before <retroactive> by inserting <effective date and>
4. By renumbering as necessary.

By TIM L. KAPUCIAN

S-5132 FILED APRIL 7, 2014
RULED OUT OF ORDER

Fiscal Note

Fiscal Services Division

SF 2299 – Ignition Interlock Device (LSB 5315SV.2)
Analyst: Adam Broich (Phone: (515) 281-8223) (adam.broich@legis.iowa.gov)
Fiscal Note Version – As amended and passed by the House

Description

Senate File 2299 amends Iowa's Operating While Intoxicated (OWI) law, and makes changes to driver's license revocation, temporary restricted licenses, and ignition interlock devices (IID).

This Bill makes the following changes:

- Caps the fine for first OWI convictions that caused no personal injury at $625.
- Eliminates provisions that restrict eligibility for temporary restricted driver's licenses for first and second-time OWI offenders and offenses that involved a personal accident or injury.
- Allows the court to increase the minimum time period that an offender must maintain an ignition interlock device on all vehicles owned and operated by the offender.
- Requires all offenders applying for license reinstatement to install an IID on all owned or operated vehicles. The minimum required time to maintain an IID varies as follows:
  - For the first offense, the minimum period to maintain an IID is six months from license reinstatement if certain criteria are met.
  - For second or subsequent offenses, the minimum maintenance time is one year from license reinstatement.
  - Offenses involving a death require a minimum maintenance time of one year from reinstatement.
- The minimum period an offender is required to maintain an IID is reduced by any period that the person held a valid temporary restricted driver's license.
- Allows first-time OWI to be eligible for a temporary restricted license with the installation of an IID.
- Allows a temporary restricted license holder to drive to locations specified in the code.

Background

First time OWI offenders are currently fined $1,250. The court is allowed discretion to reduce this fine to $625 if no personal or property injury occurred. The minimum period of ineligibility for temporary restricted licenses is determined by prior offenses, blood alcohol level, and if the offense causes personal injury or property damage. Offenders that fail a chemical test may be required to install an ignition interlock device depending on conditions. Currently, Iowa is ineligible for federal National Highway Traffic Safety Administration (NHTSA) grants related to ignition interlocks.

Assumptions

In FY 2013, 8,100 first-time OWI offenders were assessed a fine. The average fine paid in FY 2013 was $1,230. This fiscal note assumes that 8,100 first-time OWI offenders will be assessed a fine of $625 in FY 2015 and FY 2016. Collection rates for assessed fines are assumed to be 39.6% for FY 2014 and 39.4% for FY 2015. These rates match collection percentages for FY 2012 and 2013, respectively.

With the passage of **SF 2299**, Iowa may become eligible for NHTSA IID grants. Currently, it is unknown if Iowa will be eligible for these grants and NHTSA is reviewing **SF 2299**. The NHTSA informed the Governor's Traffic Safety Bureau that eligibility for IID grants will lead to a $293,000 grant in FFY 2015. Iowa will be required to apply for any future NHTSA grants related to IID regardless of eligibility.

Fiscal Impact

This Bill will reduce fine revenue for local governments, the Victim Compensation Fund, and the State General Fund as estimated in the table below.

Impact to Local and State Governments

Year	Local Government	Victim Compensation Fund	General Fund	Total
FY 2015	$ -34,000	$ -110,000	$ -2,500,000	$ -2,644,000
FY 2016	-29,000	-92,000	-2,100,000	-2,221,000

This Bill may increase federal funding to the Department of Public Safety by $293,000 if NHTSA determines this Bill meets federal standards. However, eligibility is unknown at this time.

Sources

Department of Human Rights, Criminal and Juvenile Justice Planning Division
Governor's Traffic Safety Bureau
LSA Calculations

/s/ Holly M. Lyons

April 6, 2014

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.

Fiscal Note

Fiscal Services Division

HF 2454 – Beginning Farmer Tax Credit (LSB 5548HZ.1)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – As amended and passed by the House

Description

House File 2454 extends the carryforward provision for tax credits in the Beginning Farmer Tax Credit Program. These tax credits include the Agricultural Assets Transfer Tax Credit and the Custom Farming Contract Tax Credit.

The tax credits are nonrefundable and have a five-year carryforward period for any credits in excess of the taxpayer's tax liability for the year. This legislation proposes to extend the carryforward period to 10 years for awards issued after specified dates. The increased carryforward period applies retroactively.

Background

The two tax credits that make up the Beginning Farmer Tax Credit Program are limited to no more than a total of $12.0 million in any year. Effective December 31, 2017, current law provides for the reinstatement of a previous $6.0 million annual limit. Current law repeals the Custom Farming Contract Tax Credit effective December 31, 2017.

Assumptions

- The $12.0 million in annual tax credits available will be utilized each year.
- Beginning in calendar year 2018, the $6.0 million annual limit will be fully utilized.
- Under the current five-year carryforward provisions, it is assumed 27.7% of credit awards will not be claimed due to insufficient tax liability. With the extension to a 10-year carryforward, it is assumed the percentage expiring unclaimed is 7.7%.
- Based on historical redemptions of these credits, the credit redemption schedule for credits award each year is assumed to be:
  - Year 1 = 32.0%
  - Year 2 = 18.5%
  - Year 3 = 7.7%
  - Year 4 = 6.0%
  - Year 5 = 4.1%
  - Years 6 through 11 = 4.0%
  - Unclaimed = 7.7%
- Beginning Farmer Tax Credits reduce the State income taxes owed by taxpayers and also reduce the yield of the local option income surtax for schools. Statewide, the surtax yield is 3.5% of State income tax liability.

Fiscal Impact

The extension of the carryforward periods for unused credits awarded under the Beginning Farmer Tax Credit Program is projected to reduce net General Fund revenue beginning in FY 2015, in the annual amounts displayed in the following table.

Beginning Farm Tax Credit Changes
State General Fund Revenue Impact
In millions

	Revenue Reduction		Revenue Reduction
FY 2015	$ -0.1	FY 2023	$ -2.2
FY 2016	-0.2	FY 2024	-2.4
FY 2017	-0.4	FY 2025	-2.2
FY 2018	-0.7	FY 2026	-1.9
FY 2019	-0.9	FY 2027	-1.7
FY 2020	-1.3	FY 2028	-1.4
FY 2021	-1.7	FY 2029	-1.2
FY 2022	-1.9	FY 2030	0.0

The carryforward extension will also reduce the amount of revenue raised by the local option income surtax for schools. The reduction is projected to range from $3,500 in FY 2015 to $84,000 in FY 2024.

Source

Department of Revenue

/s/ Holly M. Lyons

April 6, 2014

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.