

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

APRIL 25, 2014

**HOUSE AMENDMENT TO  
SENATE FILE 2344**

**S-5178**

- 1 Amend Senate File 2344, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. By striking page 4, line 27, through page 5,  
4 line 14.  
5 2. Page 5, by striking lines 19 and 20 and  
6 inserting <subsection 11D, as applied through section  
7 422.11Y, apply retroactively to tax years>  
8 3. By striking page 5, line 22, through page 7,  
9 line 2.  
10 4. Page 7, line 15, by striking <2020> and  
11 inserting <2018>  
12 5. Title page, line 4, by striking <renewable fuel  
13 tax credits and>  
14 6. By renumbering as necessary.

RECEIVED FROM THE HOUSE

**S-5178** FILED APRIL 24, 2014  
CONCURRED

CCH-2450

REPORT OF THE CONFERENCE COMMITTEE  
ON HOUSE FILE 2450

To the Speaker of the House of Representatives and the  
President of the Senate:

We, the undersigned members of the conference committee  
appointed to resolve the differences between the House of  
Representatives and the Senate on House File 2450, a bill for  
an Act relating to appropriations to the justice system and  
including effective date provisions, respectfully make the  
following report:

1. That the Senate recedes from its amendment, H-8277.
2. That House File 2450, as amended, passed, and reprinted  
by the House, is amended to read as follows:
  1. Page 2, line 14, by striking <6,337,024> and inserting  
<6,734,400>

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2. Page 2, after line 25 by inserting:

<Notwithstanding section 8.33, moneys appropriated in this paragraph "b" that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.>

3. Page 4, line 10, by striking <42,655,684> and inserting <43,021,602>

4. Page 4, line 15, by striking <33,344,253> and inserting <33,668,253>

5. Page 4, line 23, by striking <59,132,786> and inserting <59,408,092>

6. Page 4, line 28, by striking <27,464,108> and inserting <27,572,108>

7. Page 4, line 33, by striking <24,982,135> and inserting <25,360,135>

8. Page 5, line 3, by striking <9,728,353> and inserting <9,836,353>

9. Page 5, line 8, by striking <25,717,430> and inserting <25,933,430>

10. Page 5, line 18, by striking <21,937,970> and inserting <22,045,970>

11. Page 5, line 23, by striking <29,989,648> and inserting <30,097,648>

12. Page 6, after line 35 by inserting:

<c. It is the intent of the general assembly that as a condition of receiving the appropriation provided in this subsection the department of corrections shall not, except as otherwise provided in paragraph "b", enter into a new contract, unless the contract is a renewal of an existing contract, for the expenditure of moneys in excess of \$100,000 during the fiscal year beginning July 1, 2014, for the privatization of services performed by the department using state employees as of July 1, 2014, or for the privatization of new services by

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the department without prior consultation with any applicable state employee organization affected by the proposed new contract and prior notification of the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system.

d. It is the intent of the general assembly that the department of corrections add additional correctional officer positions to the current number of correctional officer positions as of July 1, 2014.>

13. Page 8, line 26, by striking <14,653,677> and inserting <14,753,977>

14. Page 8, after line 26 by inserting:

<It is the intent of the general assembly that the first judicial district department of correctional services maintain the drug courts operated by the district department.>

15. Page 8, line 30, by striking <11,098,361> and inserting <11,500,661>

16. Page 8, after line 30 by inserting:

<It is the intent of the general assembly that the second judicial district department of correctional services establish and maintain two drug courts to be operated by the district department.>

17. Page 9, line 8, by striking <19,817,516> and inserting <20,304,616>

18. Page 9, after line 8 by inserting:

<It is the intent of the general assembly that the fifth judicial district department of correctional services maintain the drug court operated by the district department.>

19. Page 9, after line 12 by inserting:

<It is the intent of the general assembly that the sixth judicial district department of correctional services maintain the drug court operated by the district department.>

20. Page 9, line 16, by striking <7,745,173> and inserting <7,856,873>

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21. Page 9, after line 16 by inserting:

<It is the intent of the general assembly that the seventh judicial district department of correctional services maintain the drug court operated by the district department.>

22. Page 13, line 4, by striking <2,629,623> and inserting <2,229,623>

23. Page 15, line 17, by striking <61,645,291> and inserting <60,920,291>

24. Page 15, after line 23 by inserting:

<It is the intent of the general assembly that the division of state patrol implement the endangered persons advisory alert system.>

25. Page 16, by striking lines 24 through 27.

26. Page 18, line 22, by striking <1,100,105> and inserting <1,260,105>

27. By striking page 19, line 9, through page 21, line 16, and inserting:

<Sec. \_\_\_\_\_. Section 13.2, subsection 1, Code 2014, is amended by adding the following new paragraph:

NEW PARAGRAPH. o. Submit a report by January 15 of each year to the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system, to the executive council, and to the legislative services agency detailing the amount of annual money receipts generated by each settlement or judgment in excess of two hundred fifty thousand dollars collected pursuant to legal proceedings under chapters 455B, 553, and 714. The report shall include the name of the civil or criminal case involved, the court of jurisdiction, the settlement amount including the state's share of the settlement, the name of the fund in which the receipts were deposited, and the planned use of the moneys.

Sec. \_\_\_\_\_. NEW SECTION. 13.32 **Victim assistance grant programs — annual report.**

1. a. The department of justice shall compile an annual

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report relating to the victim assistance grant programs administered under section 13.31, subsections 1, 3, 4, and 6, which shall include all of the following:

(1) A mission statement and table of organization of the department of justice relating to the victim assistance grant programs, a program summary and statistics, including but not limited to sources and uses of funds and the numbers of victims served.

(2) An itemization of out-of-state travel expenses incurred by an employee of the department of justice and an itemization of such travel paid to a contractor.

(3) An itemization of overtime paid to an employee of the department or a contractor.

(4) An itemization of any bonuses paid to an employee of the department or a contractor.

(5) A summary of expenditures reimbursed through the programs including but not limited to compensation paid to nonprofit organizations for travel and training expenses, utilities, payroll, benefits, equipment repairs and maintenance, rent, communications, advertising, supplies, insurance, and other direct expenses.

*b.* The report shall be provided to the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system, the governor, and the legislative services agency by January 15, 2015, and each January 15 thereafter.

2. The department of justice shall adopt rules to administer claims for victim assistance grants described in subsection 1. The rules shall standardize the claim forms for contractors including designating a place on the form for an itemization of services provided, mileage incurred, and expenses incurred. The rules shall further specify that the department of justice shall process the claims through the grants enterprise management office.

Sec. \_\_\_\_ . Section 80B.5, Code 2014, is amended to read as

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follows:

**80B.5 Administration — director — deputy director.**

1. The administration of this chapter shall be vested in the office of the governor. A Except for the director and deputy director of the academy and such, the staff as may be necessary for it to function shall be employed pursuant to the Iowa merit system.

2. The director of the academy shall be appointed by the governor, subject to confirmation by the senate, to serve at the pleasure of the governor, and the director may employ a deputy director.

Sec. \_\_\_\_\_. Section 97B.49B, subsection 1, paragraph e, Code 2014, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (13) An employee of a judicial district department of correctional services whose condition of employment requires the employee to be certified by the Iowa law enforcement academy and who is required to perform the duties of a parole officer as provided in section 906.2.

Sec. \_\_\_\_\_. CONSUMER EDUCATION AND LITIGATION FUND. Notwithstanding section 714.16C, for each fiscal year of the period beginning July 1, 2014, and ending June 30, 2016, the annual appropriations in section 714.16C, are increased from \$1,125,000 to \$1,875,000, and \$75,000 to \$125,000 respectively.

Sec. \_\_\_\_\_. PERSONNEL SETTLEMENT AGREEMENT PAYMENTS. As a condition made to any appropriation provided in this Act, moneys appropriated and any other moneys available for use by the entity to which the appropriation is made under this Act shall not be used for the 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.

Sec. \_\_\_\_\_. EFFECTIVE DATE. The following provision of this division of this Act takes effect January 1, 2015:

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1. The section enacting new section 13.32.

Sec. \_\_\_\_ . EFFECTIVE UPON ENACTMENT. The following provision of this division of this Act, being deemed of immediate importance, takes effect upon enactment:

1. The section amending section 80B.5.>

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

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GARY WORTHAN, CHAIRPERSON

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THOMAS G. COURTNEY, CHAIRPERSON

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MARTI ANDERSON

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JULIAN GARRETT

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STAN GUSTAFSON

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ROBERT M. HOGG

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MEGAN HESS

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RICH TAYLOR

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TODD TAYLOR

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FILED APRIL 24, 2014



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**SF 2359** – Economic Development Program Changes (LSB 5291SW)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

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**Description**

Division I of [Senate File 2359](#) removes a current requirement that investors in a qualified business wait three years to redeem their Venture Capital Tax Credits. This Bill provides that tax credits issued under this program on or after January 1, 2014, cannot be redeemed prior to January 1, 2016.

Section 21 of Division III directs that loan and other repayments from the former Iowa Values Fund are to be deposited to an Economic Development Authority fund and used for the purposes of the Strategic Investment Fund. Section 21 is retroactive to July 1, 2013.

**Background – Iowa Values Fund**

The Iowa Values Fund was repealed effective June 30, 2012, in section 14 of House File 648 (Infrastructure and Capital Projects Appropriations Act of 2011). [House File 638](#) (Infrastructure and Capital Projects Act of 2013) amended the 2011 legislation, directing that any unobligated money in the Iowa Values Fund as of July 1, 2013, must be transferred to the Rebuild Iowa Infrastructure Fund (RIIF). In December 2013, \$31.1 million was transferred from the Iowa Values Fund to the RIIF.

Section 20(1) of [House File 590](#) (Economic Development Authority Act of 2011) provides that any money remaining in a Fund under control of the Department of Economic Development on the effective date of the Act (July 1, 2011) is to remain available to the Authority. Section 20(3) of HF 590 provides that financial assistance agreements entered into under [Iowa Code chapter 15G](#) (including the Iowa Values Fund) prior to the effective date of the Act are to be administered by the Authority according to the provisions of Iowa Code chapter 15G.

Up until the date of its repeal, the Iowa Values Fund was the main economic incentive fund of the Economic Development Authority. The Fund provided a source of grant and loan economic incentives, using state appropriations and loan repayments as the primary funding sources. Since its repeal, the Fund has been maintained and is active in the State accounting system, with previously agreed to incentive payments being made out of the Fund, and loan repayments, interest, and other income deposited to the Fund.

As of February 21, 2014, \$48.1 million remains in the Iowa Values Fund. The majority of the current balance is encumbered for specific economic development projects and will be disbursed once the projects meet their award requirements. Should an award recipient fail to meet the requirements of the assistance agreement, the encumbered money will become unencumbered.

Since the beginning of FY 2014, through February 21, 2014, \$3.6 million in repayments, royalties, interest, and miscellaneous income has been deposited in the Iowa Values Fund. Over the next four years, repayments and other revenue for the Fund will equal \$7.5 million to \$10.0 million or more. Section 21 of this Bill will allow the Authority to transfer the income

stream of repayments, royalties, interest, and other income that is accruing to the repealed Iowa Values Fund to any Fund established under the provisions of [Iowa Code section 15.106A\(1\)\(o\)](#).

Section 21 of this Bill does not address what happens to any of the current \$48.1 million Iowa Values Fund balance that has become unencumbered since July 1, 2013, or that becomes unencumbered in the future.

### **Assumptions**

- The removal of the three-year wait period for Venture Capital Tax Credit redemption applies only to investments made on or after January 1, 2014.
- Tax credits awarded for investments made on or after January 1, 2014, will first impact the State General Fund in FY 2016.
- Under current law and under the provisions of this Bill, Venture Capital Tax Credit awards are subject to a \$2.0 million per year cap. Accelerating the redemption timeframe only impacts the timing of the redemptions.

### **Fiscal Impact**

Division I, which alters the redemption of qualified business Venture Capital Tax Credits, has a General Fund fiscal impact through a change in the timing of tax credit redemptions. The change removes a three-year wait period that applies to tax credit redemptions. Tax credits issued on or after January 1, 2014, are made redeemable on or after January 1, 2016. The following table provides the net fiscal impact of Division I.

<b>Qualified Business Venture Capital Tax Credits Impact of removing the three-year wait period</b>	
In millions	
	General Fund Revenue
FY 2015	\$ 0.0
FY 2016	-2.0
FY 2017	-1.5
FY 2018	-0.9
FY 2019	-0.3
FY 2020 - FY 2025	4.7

The Iowa Values Fund is a repealed State fund that continues to operate in the State accounting system. The unencumbered portion of the balance as of July 1, 2013, was transferred to the RIIF in December 2013. However, loan repayments and other income continue to be deposited to the Fund and there currently exists no Code authority to expend the revenue when it becomes available. There also is no existing Code authority directing what may happen to any existing encumbered funds should those funds become unencumbered.

Enactment of Section 21 of this Bill will allow the Authority to transfer the revenue stream out of the Iowa Values Fund. Any of the encumbered funds that are currently in the Iowa Values Fund that become unencumbered at a later date will remain in the Iowa Values Fund.

**Sources**

Economic Development Authority  
Department of Revenue

/s/ Holly M. Lyons

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April 24, 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 2459** – Emergency Medical Services and Firefighter Tax Credit (LSB 5552HV.1)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – As amended by S-5172

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**Description**

**House File 2459**, as amended by **S-5172**, increases the Firefighter and Emergency Medical Services (EMS) Tax Credit from the existing maximum of \$50 to \$100. Full-time fire fighters and EMS personnel that also serve elsewhere as volunteer fire fighters or EMS, are made eligible for the credit. The changes are retroactive to tax year 2014.

This Bill also creates a tax credit for reserve police officers. The new credit is equal to \$100 and is first available for tax year 2014.

**Background**

The existing EMS and Firefighter Tax Credit was created in SF 2322 (Volunteer Firefighter and EMS Tax Credit Act of 2012). The credit was first available for tax year 2013.

**Assumptions**

- Since the tax credit was not available until tax year 2013, actual taxpayer usage numbers are not yet available. However, preliminary estimates based on electronically filed tax year 2013 returns indicate that no more than 15,000 credit claims will be received for the first tax year. For this fiscal note, fire fighter and EMS claims for tax year 2014 and after are assumed to equal 15,000, including the eligibility expansions provided in this Bill.
- According to the Iowa Law Enforcement Academy, there are currently 646 active State-certified reserve peace officers in the State. This group is assumed to have met the minimum training standards and will be eligible for the tax credit.
- Nonrefundable income tax credits impact the calculation of the local option income surtax for schools. Statewide, that surtax equals 3.5% of the revenue amount raised by the State individual income tax.

**Fiscal Impact**

The new reserve peace officer tax credit, along with the increased Firefighter and EMS Tax Credit, is estimated to reduce net General Fund revenue by \$785,000 per year, beginning in FY 2015.

As a nonrefundable tax credit, the credit will also have an impact on the revenue generated by the local option income surtax for schools. The tax credit increase is estimated to decrease the annual statewide surtax yield by \$27,500, beginning with FY 2015.

**Source**

Department of Revenue

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/s/ Holly M. Lyons

April 24, 2014