

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

APRIL 28, 2014

SENATE FILE 303

S-5188

1 Amend the amendment, S-5100, to Senate File 303,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 12, after line 41 by inserting:  
5 <Sec. \_\_\_\_\_. Section 261.9, subsection 1, unnumbered  
6 paragraph 1, Code 2014, is amended to read as follows:  
7 "Accredited private institution" means an institution  
8 of higher learning located in Iowa which is operated  
9 privately and not controlled or administered by any  
10 state agency or any subdivision of the state and which  
11 meets the criteria in paragraphs "a" and "b" and all  
12 of the criteria in paragraphs "d" through "h" "i",  
13 except that institutions defined in paragraph "c" of  
14 this subsection are exempt from the requirements of  
15 paragraphs "a" and "b":

16 Sec. \_\_\_\_\_. Section 261.9, subsection 1, Code 2014,  
17 is amended by adding the following new paragraph:

18 NEW PARAGRAPH. i. (1) Adopts a policy to require  
19 that the institution shall annually, beginning December  
20 15, 2015, file a report with the governor and the  
21 general assembly providing information and statistics  
22 for the previous five academic years on the number  
23 of students per year who are veterans who received  
24 education credit for military education, training, and  
25 service, that number as a percentage of veterans known  
26 to be enrolled at the institution, the average number  
27 of credits received by students, and the average number  
28 of credits applied towards the award or completion of a  
29 course of instruction, postsecondary diploma, degree,  
30 or other evidences of distinction.

31 (2) For purposes of this paragraph, "veteran" means  
32 a veteran as defined in section 35.1.>

33 2. Page 13, line 33, by striking <35.1, or the  
34 spouse of a veteran> and inserting <35.1>

35 3. Page 13, line 36, by striking <or veteran's  
36 spouse>

37 4. Page 13, line 39, by striking <or the veteran's  
38 spouse>

39 5. Page 13, line 43, by striking <or veteran's  
40 spouse>

41 6. Page 13, line 47, by striking <or veteran's  
42 spouse>

43 7. Page 13, line 50, by striking <or the veteran's>

44 8. Page 14, line 1, by striking <spouse>

45 9. Page 14, by striking lines 15 through 21 and  
46 inserting:

47 <Sec. \_\_\_\_\_. REPORTING. Each licensing board, as  
48 defined in section 272C.1, shall file>

49 10. Page 14, after line 25 by inserting:

50 <\_\_\_\_\_. REPORT. Each licensing board, as defined

S-5188

1 in section 272C.1, shall file a report by January 1,  
2 2015, with the chairpersons and ranking members of  
3 the house and senate standing committees on veterans  
4 affairs making recommendations related to expanding the  
5 professional licensing provisions of section 272C.4,  
6 subsection 12, to include the spouses of veterans.>

7 11. Page 14, after line 27 by inserting:

8 <Sec. \_\_\_\_\_. NEW SECTION. 35B.2 Administration.

9 Unless otherwise provided, the county commission  
10 of veteran affairs shall be responsible for the  
11 administration of this chapter.

12 \_\_\_\_\_. Page 15, line 7, after <to the> by inserting  
13 <annual>

14 \_\_\_\_\_. Page 15, line 21, by striking <annual>

15 \_\_\_\_\_. Page 15, line 22, after <administrator> by  
16 inserting <and all employees of the county veteran  
17 affairs office>

18 \_\_\_\_\_. Page 15, line 25, by striking <annual>

19 \_\_\_\_\_. Page 15, line 26, after <administrator> by  
20 inserting <and all employees of the county veteran  
21 affairs office>>

22 12. Page 16, by striking lines 18 through 24 and  
23 inserting:

24 <b. Neither a county board of supervisors nor a  
25 county commission of veteran affairs shall publish the  
26 names of the veterans or their families who receive  
27 benefits under the provisions of this chapter.>

28 13. Page 16, line 48, after <shall> by inserting  
29 <be sent to the board of supervisors with all  
30 personally identifying information redacted and shall>

31 14. Page 16, by striking line 49 and inserting  
32 <~~reviewed~~ subject to approval by the board of  
33 supervisors and. Upon the approval of the board of  
34 supervisors, the>

35 15. Page 18, line 23, after <and> by inserting  
36 <shall, as provided in this section,>

37 16. Page 18, line 35, by striking <the> and  
38 inserting <a>

39 17. Page 18, line 36, after <rate> by inserting  
40 <that does not exceed the rate>

41 18. Page 19, after line 37 by inserting:

42 <DIVISION \_\_\_\_

43 HOMEOWNERSHIP PROGRAM

44 Sec. \_\_\_\_\_. Section 16.54, subsections 1 and 3, Code  
45 2014, are amended to read as follows:

46 1. For the purposes of this section, "eligible  
47 member of the armed forces of the United States" or  
48 "eligible service member" means a person who is or was,  
49 if discharged under honorable conditions, a member of  
50 the national guard, or a reserve, or regular component

1 of the armed forces of the United States, who has  
2 served at least ninety days of active duty service  
3 beginning on or after September 11, 2001, or during  
4 the period of the Persian Gulf Conflict, beginning  
5 August 2, 1990, and ending April 6, 1991. "Eligible  
6 member of the armed forces of the United States" or  
7 "eligible service member" also means a former member of  
8 the national guard, or a reserve, or regular component  
9 of the armed forces of the United States, who was  
10 honorably discharged due to injuries incurred while on  
11 federal active duty beginning on or after September  
12 11, 2001, or during the period of the Persian Gulf  
13 Conflict, beginning August 2, 1990, and ending April 6,  
14 1991, that precluded completion of a minimum aggregate  
15 of ninety days of federal active duty.

16 3. The program shall be administered by the  
17 authority and shall provide loans, grants, or other  
18 assistance to ~~persons who are or were eligible service~~  
19 ~~members of the armed forces of the United States.~~ In  
20 the event an eligible service member is deceased,  
21 the surviving spouse of the eligible member shall be  
22 eligible for assistance under the program, subject to  
23 the surviving spouse meeting the program's eligibility  
24 requirements other than the military service  
25 requirement. In addition, a person eligible for the  
26 program under this section may participate in other  
27 loan and grant programs of the authority, provided the  
28 person meets the requirements of those programs.

29 Sec. \_\_\_\_\_. Section 16.54, subsection 4, paragraphs a  
30 and b, Code 2014, are amended to read as follows:

31 a. The person eligible for the program shall, for  
32 financed home purchases that close on or after July 1,  
33 2008, use a lender that participates in the authority's  
34 ~~applicable~~ first mortgage financing programs for  
35 homebuyers or a lender approved by the authority under  
36 subsection 5.

37 b. (1) For financed home purchases that close  
38 on or after July 1, 2008, the eligible person shall  
39 participate, if eligible to participate, in one of the  
40 authority's ~~other applicable~~ first mortgage financing  
41 programs for homebuyers. ~~However, a person~~

42 (2) Notwithstanding subparagraph (1), an eligible  
43 service member who qualifies for one of the authority's  
44 other applicable first mortgage financing programs for  
45 homebuyers may use a lender that does not participate  
46 in the authority's first mortgage financing programs  
47 for homebuyers if such lender is approved by the  
48 authority under subsection 5. For financed home  
49 purchases that close on or after July 1, 2014, an  
50 eligible service member who qualifies for one of the

1 authority's first mortgage financing programs may  
2 accept financing other than that available under the  
3 authority's first mortgage financing programs for  
4 homebuyers if all of the following apply:

5 (a) The financing is offered by a lender that  
6 participates in one of the authority's first mortgage  
7 financing programs for homebuyers or by a lender  
8 approved pursuant to subsection 5.

9 (b) The authority determines that the offered  
10 financing would be economically feasible and  
11 financially advantageous for the eligible service  
12 member.

13 DIVISION \_\_\_\_  
14 CIVIL SERVICE EXAMINATION ELIGIBILITY

15 Sec. \_\_\_\_ . NEW SECTION. 341A.6A Veteran  
16 eligibility.

17 If a veteran has been honorably discharged between  
18 forty-five days before and sixty days after an  
19 examination or test is administered under section  
20 341A.6, the commission may allow the veteran to be  
21 subject to such examination or testing up to ninety  
22 days following the date that the original examination  
23 or testing was conducted and if appropriate shall add  
24 the veteran's name and address to the eligibility list  
25 for a vacant position pursuant to section 341A.13.

26 Sec. \_\_\_\_ . Section 400.10, Code 2014, is amended to  
27 read as follows:

28 400.10 Preferences.

29 1. In all examinations and appointments under this  
30 chapter, other than promotions and appointments of  
31 chief of the police department and chief of the fire  
32 department, veterans who are citizens and residents of  
33 the United States, shall have five percentage points  
34 added to the veteran's grade or score attained in  
35 qualifying examinations for appointment to positions  
36 and five additional percentage points added to the  
37 grade or score if the veteran has a service-connected  
38 disability or is receiving compensation, disability  
39 benefits, or pension under laws administered by the  
40 United States department of veterans affairs. An  
41 honorably discharged veteran who has been awarded the  
42 Purple Heart incurred in action shall be considered  
43 to have a service-connected disability. However, the  
44 percentage points shall be given only upon passing  
45 the exam and shall not be the determining factor in  
46 passing. Veteran's preference percentage points  
47 shall be applied once to the final scores used to  
48 rank applicants for selection for an interview. For  
49 purposes of this section, "veteran" means as defined  
50 in section 35.1 except that the requirement that the

1 person be a resident of this state shall not apply.  
2 2. If a veteran entitled to preference pursuant  
3 to this section has been honorably discharged between  
4 forty-five days before and sixty days after an  
5 examination is administered pursuant to section 400.8,  
6 the commission may allow the veteran to be subject  
7 to examination up to ninety days following the date  
8 the original examination was administered and if  
9 appropriate shall add the veteran's name to the list  
10 for original appointment pursuant to section 400.11,  
11 subsection 1.>

12 19. By renumbering as necessary.

**By** JEFF DANIELSON

S-5188 FILED APRIL 25, 2014

ADOPTED

**HOUSE AMENDMENT TO  
SENATE FILE 2318**

**S-5187**

1 Amend Senate File 2318, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting clause  
4 and inserting:

5 <Section 1. Section 256.7, Code 2014, is amended by  
6 adding the following new subsection:

7 NEW SUBSECTION. 33. Adopt rules incorporating the  
8 training required by section 272.2, subsection 19, into  
9 the standards for school district or attendance center  
10 teacher professional development plans in accordance  
11 with section 284.6 and school district or attendance  
12 center administrator professional development plans in  
13 accordance with section 284A.6.

14 Sec. 2. Section 272.2, Code 2014, is amended by  
15 adding the following new subsection:

16 NEW SUBSECTION. 19. a. Adopt rules requiring  
17 all teachers who have regular and substantial contact  
18 with students to complete training on harassment and  
19 bullying prevention and response as part of their  
20 professional development and training plans, to the  
21 extent such training is made available by the state  
22 of Iowa at no charge to trainees, schools, or school  
23 districts.

24 b. Adopt rules requiring all individuals applying  
25 for or renewing a license, certificate, authorization,  
26 or statement of recognition issued by the board who  
27 are responsible for conducting investigations of  
28 complaints of incidents of harassment or bullying to  
29 complete training on the provisions of section 280.28;  
30 conducting impartial investigations with transparency;  
31 collecting evidence; following up on previous  
32 investigations; and reporting founded and unfounded  
33 incidents of harassment and bullying to the department;  
34 to the extent such training is made available by the  
35 state of Iowa at no charge to trainees, schools, or  
36 school districts.

37 c. Adopt rules requiring all individuals applying  
38 for or renewing an administrator license to complete  
39 training on implementation of school-wide policies and  
40 procedures for harassment and bullying identification,  
41 reporting, response, and prevention, to the extent such  
42 training is made available by the state of Iowa at no  
43 charge to trainees, schools, or school districts.

44 Sec. 3. Section 280.28, subsection 2, paragraph a,  
45 Code 2014, is amended to read as follows:

46 a. "Electronic" means any communication involving  
47 the transmission of information by wire, radio,  
48 optical cable, electromagnetic, or other similar  
49 means. "Electronic" includes but is not limited to  
50 communication via electronic mail, internet-based

**S-5187**

1 communications including social networking sites  
2 and applications, pager service, cell phones, and  
3 electronic text messaging, or any other electronic  
4 communication site, device, or means.

5 Sec. 4. Section 280.28, subsection 5, Code 2014, is  
6 amended to read as follows:

7 5. Immunity.

8 a. A school employee, volunteer, or student, or a  
9 student's parent or guardian who promptly, reasonably,  
10 and in good faith reports an incident of harassment  
11 or bullying, in compliance with the procedures in  
12 the policy adopted pursuant to this section, to the  
13 appropriate school official designated by the school  
14 district or accredited nonpublic school, shall be  
15 immune from civil or criminal liability relating to  
16 such report and to participation in any administrative  
17 or judicial proceeding resulting from or relating to  
18 the report.

19 b. A school district, school, or employee thereof  
20 who reasonably and in good faith follows notification  
21 procedures established as provided in subsection  
22 9 shall be immune from civil or criminal liability  
23 relating to such notification procedures and to  
24 participation in any administrative or judicial  
25 proceeding resulting from or relating to such  
26 notification procedures.

27 Sec. 5. Section 280.28, Code 2014, is amended by  
28 adding the following new subsection:

29 NEW SUBSECTION. 9. Parental notification.

30 a. Each school district and accredited nonpublic  
31 school shall establish notification procedures for  
32 incidents of harassment or bullying in accordance  
33 with this subsection. The procedures shall include  
34 notification of the custodial parent or guardian of any  
35 student directly involved in any incident of harassment  
36 or bullying, upon investigation and determination that  
37 harassment or bullying has occurred, consistent with a  
38 notification plan made in consultation with the student  
39 and school guidance staff. The notification shall  
40 include information on the action that school officials  
41 have taken regarding the incident and the actions  
42 school officials will take to prevent further acts  
43 of harassment or bullying. If such notification is  
44 delayed, the school district or school shall document  
45 the reasons for the delay. This paragraph does not  
46 prohibit a school official from contacting a parent  
47 or guardian about a report of harassment or bullying  
48 prior to a determination that harassment or bullying  
49 has occurred.

50 b. The requirements of this subsection shall

1 not apply if a school official reasonably believes  
2 notification would subject a student to abuse, neglect,  
3 or other physical or mental harm.

4 c. Notification pursuant to this subsection  
5 shall comply with state and federal privacy laws,  
6 regulations, and rules.

7 Sec. 6. Section 282.18, subsection 11, Code 2014,  
8 is amended to read as follows:

9 11. A pupil who participates in open enrollment  
10 for purposes of attending a grade in grades nine  
11 through twelve in a school district other than the  
12 district of residence is ineligible to participate  
13 in varsity interscholastic athletic contests and  
14 athletic competitions during the pupil's first ninety  
15 school days of enrollment in the district except that  
16 the pupil may participate immediately in a varsity  
17 interscholastic sport if the pupil is entering grade  
18 nine for the first time and did not participate in  
19 an interscholastic athletic competition for another  
20 school or school district during the summer immediately  
21 following eighth grade, if the district of residence  
22 and the other school district jointly participate  
23 in the sport, if the sport in which the pupil wishes  
24 to participate is not offered in the district of  
25 residence, if the pupil chooses to use open enrollment  
26 to attend school in another school district because  
27 the district in which the student previously attended  
28 school was dissolved and merged with one or more  
29 contiguous school districts under section 256.11,  
30 subsection 12, if the pupil participates in open  
31 enrollment because the pupil's district of residence  
32 has entered into a whole grade sharing agreement  
33 with another district for the pupil's grade, ~~or~~ if  
34 the parent or guardian of the pupil participating  
35 in open enrollment is an active member of the armed  
36 forces and resides in permanent housing on government  
37 property provided by a branch of the armed services,  
38 or if the district of residence determines that the  
39 pupil was previously subject to a founded incident of  
40 harassment or bullying as defined in section 280.28  
41 while attending school in the district of residence.  
42 A pupil who has paid tuition and attended school, or  
43 has attended school pursuant to a mutual agreement  
44 between the two districts, in a district other than  
45 the pupil's district of residence for at least one  
46 school year is also eligible to participate immediately  
47 in interscholastic athletic contests and athletic  
48 competitions under this section, but only as a member  
49 of a team from the district that pupil had attended.  
50 For purposes of this subsection, "school days of

S-5187

Page 4

1 enrollment" does not include enrollment in summer  
2 school. For purposes of this subsection, "varsity"  
3 means the same as defined in section 256.46.>

4 2. Title page, by striking lines 2 through 6 and  
5 inserting <antibullying policies and providing for  
6 training on harassment and bullying prevention and  
7 response.>

8 3. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-5187 FILED APRIL 25, 2014

SENATE FILE 2337

S-5181

1 Amend the House amendment, S-5175, to Senate File  
2 2337, as passed by the Senate, as follows:

3 1. Page 1, line 12, by striking <2016> and  
4 inserting <2015>

5 2. Page 1, line 14, by striking <2016> and  
6 inserting <2015>

**By** JANET PETERSEN

S-5181 FILED APRIL 25, 2014

ADOPTED

HOUSE AMENDMENT TO  
SENATE FILE 2340

S-5179

- 1 Amend Senate File 2340, as amended, passed, and  
2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 3, by striking ~~<Fifty Sixty>~~ and  
4 inserting <Fifty>
- 5 2. Page 1, line 5, by striking <25D> and inserting  
6 ~~<25D 25D(a)(1) and section 25D(a)(2)>~~
- 7 3. Page 1, line 6, by striking ~~<three five>~~ and  
8 inserting <three>
- 9 4. Page 1, line 7, by striking ~~<Fifty Sixty>~~ and  
10 inserting <Fifty>
- 11 5. Page 1, line 8, by striking <48> and inserting  
12 ~~<48 48(a)(2)(A)(i)(II) and section 48(a)(2)(A)(i)(III)>~~
- 13 6. Page 1, line 9, by striking ~~<fifteen twenty>~~ and  
14 inserting <fifteen>
- 15 7. Page 1, by striking line 27 and inserting  
16 ~~<three million five hundred thousand dollars. Of this~~  
17 ~~amount,>~~
- 18 8. Page 2, after line 6 by inserting:  
19 <Sec. \_\_\_\_\_. Section 422.33, subsection 29, paragraph  
20 a, Code 2014, is amended to read as follows:  
21 a. The taxes imposed under this division shall  
22 be reduced by a solar energy system tax credit  
23 equal to fifty percent of the federal energy credit  
24 related to solar energy systems provided in section  
25 ~~48 48(a)(2)(A)(i)(II) and section 48(a)(2)(A)(i)(III)~~  
26 of the Internal Revenue Code, not to exceed fifteen  
27 thousand dollars.  
28 Sec. \_\_\_\_\_. Section 422.60, subsection 12, paragraph  
29 a, as enacted by 2014 Iowa Acts, House File 2438,  
30 section 27, is amended to read as follows:  
31 a. The taxes imposed under this division shall  
32 be reduced by a solar energy system tax credit  
33 equal to fifty percent of the federal energy credit  
34 related to solar energy systems provided in section  
35 ~~48 48(a)(2)(A)(i)(II) and section 48(a)(2)(A)(i)(III)~~  
36 of the Internal Revenue Code, not to exceed fifteen  
37 thousand dollars.>
- 38 9. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-5179 FILED APRIL 25, 2014  
REFUSED TO CONCUR

S-5180

1 Amend Senate File 2358 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. Section 22.7, subsection 11, paragraph  
5 a, Code 2014, is amended to read as follows:

6 a. Personal information in confidential personnel  
7 records of government bodies relating to identified or  
8 identifiable individuals who are officials, officers,  
9 or employees of the government bodies. However, the  
10 following information relating to such individuals  
11 contained as of or after January 1, 2004, in personnel  
12 records shall be public records:

13 (1) The name and compensation of the individual  
14 including any written agreement establishing  
15 compensation or any other terms of employment  
16 excluding any information otherwise excludable from  
17 public information pursuant to this section or any  
18 other applicable provision of law. For purposes  
19 of this paragraph, "compensation" means payment of,  
20 or agreement to pay, any money, thing of value, or  
21 financial benefit conferred in return for labor or  
22 services rendered by an official, officer, or employee  
23 plus the value of benefits conferred including but  
24 not limited to casualty, disability, life, or health  
25 insurance, other health or wellness benefits, vacation,  
26 holiday, and sick leave, severance payments, retirement  
27 benefits, and deferred compensation.

28 (2) The dates the individual was employed by the  
29 government body.

30 (3) The positions the individual holds or has held  
31 with the government body.

32 (4) The educational institutions attended by the  
33 individual, including any diplomas and degrees earned,  
34 and the names of the individual's previous employers,  
35 positions previously held, and dates of previous  
36 employment.

37 (5) The fact that the individual resigned in lieu  
38 of termination, was discharged, or was demoted as  
39 the result of a final disciplinary action upon the  
40 exhaustion of all applicable contractual, legal, and  
41 statutory remedies, and the documented reasons and  
42 rationale for the resignation in lieu of termination,  
43 the discharge, or the demotion. For purposes of this  
44 subparagraph, "demoted" and "demotion" mean a change of  
45 an employee from a position in a given classification  
46 to a position in a classification having a lower pay  
47 grade.

48 Sec. 2. NEW SECTION. 22.13B Executive branch  
49 bonuses – disclosure.

50 1. For purposes of this section:

S-5180

1 a. "Bonus pay" means any additional remuneration  
2 provided an employee in the form of a bonus, including  
3 but not limited to a retention bonus, recruitment  
4 bonus, exceptional job performance pay, extraordinary  
5 job performance pay, exceptional performance pay,  
6 extraordinary duty pay, or extraordinary or special  
7 duty pay, and any extra benefit not otherwise provided  
8 to other similarly situated employees.

9 b. "Executive branch employee" means an employee  
10 of the executive branch of state government, which  
11 includes any unit of state government, including  
12 but not limited to an authority, board, commission,  
13 committee, council, department, or independent  
14 agency as defined in section 7E.4, and each principal  
15 central department enumerated in section 7E.5; the  
16 office of the governor; and the office of an elective  
17 constitutional or statutory officer.

18 2. A decision to provide bonus pay to an executive  
19 branch employee, including the amount paid and the  
20 documented reasons and rationale for the bonus paid,  
21 shall be a public record.

22 3. All decisions to provide bonus pay to an  
23 executive branch employee, including information  
24 described in subsection 2, shall be made easily  
25 accessible to the public on an internet site maintained  
26 as follows:

27 a. For decisions to provide bonus pay to an  
28 employee of the executive branch, excluding an employee  
29 of the state board of regents or institution under  
30 the control of the state board of regents, by the  
31 department of administrative services.

32 b. For decisions to provide bonus pay to an  
33 employee of the state board of regents or institution  
34 under the control of the state board of regents, by the  
35 state board of regents.

36 Sec. 3. NEW SECTION. 70A.35 Personnel settlement  
37 agreements - public employers.

38 1. For purposes of this section:

39 a. "Personnel settlement agreement" means a binding  
40 legal agreement between an employee and the employee's  
41 state employer to resolve a personnel dispute including  
42 but not limited to a grievance. "Personnel settlement  
43 agreement" does not include an initial decision by an  
44 employee's immediate supervisor concerning a personnel  
45 dispute or grievance.

46 b. "State employer" means any of the following:

47 (1) The executive branch of state government,  
48 to include a unit of state government, which is an  
49 authority, board, commission, committee, council,  
50 department, or independent agency as defined in section

1 7E.4, including but not limited to each principal  
2 central department enumerated in section 7E.5; the  
3 office of the governor; and the office of an elective  
4 constitutional or statutory officer.

5 (2) The general assembly, or any office or unit  
6 under its administrative authority.

7 (3) The judicial branch, as provided in section  
8 602.1102.

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

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

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

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

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

31 c. For personnel settlement agreements with an  
32 employee of the judicial branch, by the judicial  
33 branch.

34 d. For personnel settlement agreements with an  
35 employee of the general assembly, by the general  
36 assembly.

37 Sec. 4. IMPLEMENTATION PROVISION. This Act shall  
38 not be construed to limit or impair the ability of law  
39 enforcement personnel to investigate any activity that  
40 may violate the laws of the state.

41 Sec. 5. EFFECTIVE UPON ENACTMENT. This Act, being  
42 deemed of immediate importance, takes effect upon  
43 enactment.

44 Sec. 6. RETROACTIVE APPLICABILITY. The section of  
45 this Act amending section 22.7, subsection 11, applies  
46 retroactively to all information described in section  
47 22.7, subsection 11, paragraph "a", subparagraphs  
48 (1) through (5), as amended by this Act, relating to  
49 information of such individuals contained as of or  
50 after January 1, 2004, in personnel records.>

S-5180

Page 4

1 2. Title page, by striking lines 1 through 3 and  
2 inserting <An Act concerning public employee bonuses,  
3 personnel settlement agreements and disciplinary  
4 actions, and including effective date and retroactive  
5 applicability provisions.>

**By** JULIAN B. GARRETT

S-5180 FILED APRIL 25, 2014

LOST

SENATE FILE 2358

S-5182

1 Amend Senate File 2358 as follows:

2 1. Page 1, by striking lines 26 through 28 and  
3 inserting <board of regents, the personnel settlement  
4 agreement shall be reviewed and approved as>

5 2. Page 2, by striking lines 2 and 3 and inserting  
6 <shall be reviewed and>

7 3. Page 2, by striking lines 12 through 14  
8 and inserting <the judicial branch, the personnel  
9 settlement agreement shall be approved by the state  
10 court>

11 4. Page 2, by striking lines 20 through 26.

12 5. Page 2, after line 31 by inserting:

13 <3A. The requirements of this section shall not be  
14 superseded by any provision of a collective bargaining  
15 agreement.>

16 6. By renumbering as necessary.

**By** JULIAN GARRETT

S-5182 FILED APRIL 25, 2014

LOST

S-5183

1 Amend Senate File 2358 as follows:

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

3 <Section 1. Section 22.7, subsection 11, paragraph  
4 a, Code 2014, is amended to read as follows:

5 a. Personal information in confidential personnel  
6 records of government bodies relating to identified or  
7 identifiable individuals who are officials, officers,  
8 or employees of the government bodies. However, the  
9 following information relating to such individuals  
10 contained as of or after January 1, 2004, in personnel  
11 records shall be public records:

12 (1) The name and compensation of the individual  
13 including any written agreement establishing  
14 compensation or any other terms of employment  
15 excluding any information otherwise excludable from  
16 public information pursuant to this section or any  
17 other applicable provision of law. For purposes  
18 of this paragraph, "compensation" means payment of,  
19 or agreement to pay, any money, thing of value, or  
20 financial benefit conferred in return for labor or  
21 services rendered by an official, officer, or employee  
22 plus the value of benefits conferred including but  
23 not limited to casualty, disability, life, or health  
24 insurance, other health or wellness benefits, vacation,  
25 holiday, and sick leave, severance payments, retirement  
26 benefits, and deferred compensation.

27 (2) The dates the individual was employed by the  
28 government body.

29 (3) The positions the individual holds or has held  
30 with the government body.

31 (4) The educational institutions attended by the  
32 individual, including any diplomas and degrees earned,  
33 and the names of the individual's previous employers,  
34 positions previously held, and dates of previous  
35 employment.

36 (5) The fact that the individual resigned in lieu  
37 of termination, was discharged, or was demoted as  
38 the result of a final disciplinary action upon the  
39 exhaustion of all applicable contractual, legal, and  
40 statutory remedies, and the documented reasons and  
41 rationale for the resignation in lieu of termination,  
42 the discharge, or the demotion. For purposes of this  
43 subparagraph, "demoted" and "demotion" mean a change of  
44 an employee from a position in a given classification  
45 to a position in a classification having a lower pay  
46 grade.>

47 2. Page 3, after line 13 by inserting:

48 <Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. The section  
49 of this division of this Act amending section 22.7,  
50 subsection 11, applies retroactively to all information

S-5183

S-5183

Page 2

1 described in section 22.7, subsection 11, paragraph  
2 "a", subparagraphs (1) through (5), as amended by  
3 this Act, relating to information of such individuals  
4 contained as of or after January 1, 2004, in personnel  
5 records.>

6 3. By renumbering as necessary.

**By JACK WHITVER**

S-5183 FILED APRIL 25, 2014

LOST

SENATE FILE 2358

S-5184

1 Amend Senate File 2358 as follows:

2 1. Page 4, after line 10 by inserting:

3 <Sec. \_\_\_\_\_. Section 8F.2, subsection 6, Code 2014,  
4 is amended to read as follows:

5 6. "Recipient entity" means an intergovernmental  
6 entity or a private agency that enters into a service  
7 contract with an oversight agency to provide services  
8 which will be paid for with local governmental, state,  
9 or federal moneys. "Recipient entity" includes Iowa  
10 state industries as defined in section 904.802.

11 Sec. \_\_\_\_\_. Section 8F.2, subsection 8, paragraph a,  
12 Code 2014, is amended to read as follows:

13 a. "Service contract" means a contract for a service  
14 or services when the predominant factor, thrust, and  
15 purpose of the contract as reasonably stated is for  
16 the provision of services. When there is a contract  
17 for goods and services and the predominant factor,  
18 thrust, and purpose of the contract as reasonably  
19 stated is for the provision or rendering of services  
20 with goods incidentally involved, a service contract  
21 exists. "Service contract" includes grants when the  
22 predominant factor, thrust, and purpose of the contract  
23 formalizing the grant is for the provision of services.  
24 For purposes of this chapter, a service contract only  
25 exists when an individual service contract or a series  
26 of service contracts entered into between an oversight  
27 agency and a recipient entity exceeds five hundred  
28 thousand dollars or when the grant or contract together  
29 with other grants or contracts awarded to the recipient  
30 entity by the oversight agency during the oversight  
31 agency's fiscal year exceeds five hundred thousand  
32 dollars in the aggregate. "Service contract" also  
33 includes a contract of any dollar amount to purchase  
34 a product from Iowa state industries as defined in  
35 section 904.802.>

36 2. By renumbering as necessary.

**By RANDY FEENSTRA  
BILL ANDERSON**

S-5184 FILED APRIL 25, 2014

LOST

SENATE FILE 2362

S-5185

1 Amend Senate File 2362 as follows:

2 1. Page 16, after line 27 by inserting:

3 <Sec. \_\_\_\_ . GAMBLING GAMES LICENSE ISSUANCE – TERMS  
4 AND CONDITIONS. The racing and gaming commission  
5 shall establish a process for the purpose of granting  
6 a license to conduct gambling games on a gambling  
7 structure pursuant to the requirements of this section  
8 and chapter 99F by December 1, 2014. Applications for  
9 a license under this section shall be submitted by  
10 August 1, 2014, and shall be limited to applications  
11 from proposed licensees for which the gambling  
12 structure on which gambling games are to be conducted  
13 shall be located in a city with a population of more  
14 than fifty thousand in the latest preceding certified  
15 federal census. A license to conduct gambling games  
16 issued pursuant to this section shall provide that  
17 the premises of the licensee, including the gaming  
18 floor, shall, notwithstanding any provision of law to  
19 the contrary, be subject to the smoking prohibition  
20 requirements of section 142D.3.>

21 2. Title page, line 1, after <relating to> by  
22 inserting <gambling game licenses and>

23 3. Title page, line 3, after <racetracks> by  
24 inserting <and gambling structures>

25 4. By renumbering as necessary.

**By** WALLY E. HORN

S-5185 FILED APRIL 25, 2014

RULED OUT OF ORDER

S-5186

1 Amend Senate File 2362 as follows:

2 1. Page 1, line 18, by striking <operate a  
3 pari-mutuel> and inserting <conduct pari-mutuel  
4 wagering at a>

5 2. Page 2, line 32, after <years.> by inserting  
6 <Payments required under this subparagraph shall  
7 be made by the manager of the pari-mutuel racetrack  
8 located in Pottawattamie county for deposit in the Iowa  
9 greyhound pari-mutuel racing fund created in section  
10 99D.9B, as required by this subsection.>

11 3. Page 3, after line 23 by inserting:  
12 <(4) If there is a change in the applicable  
13 statutes and regulations that reduce the ability of  
14 the licensee at the pari-mutuel racetrack located  
15 in Pottawattamie county or of the licensee issued a  
16 license pursuant to section 99F.4A, subsection 9, to  
17 operate or conduct gambling games, or if there is an  
18 increase in the gaming tax structure, any remaining  
19 live racing cessation fee payments required under this  
20 subsection shall be decreased by the amount of the  
21 reduction in the ability of the licensee to operate or  
22 conduct gambling games or the amount of the increase in  
23 the gaming tax structure.>

24 4. Page 6, line 3, after <distributed> by inserting  
25 <provided, however, that the commission shall  
26 distribute a portion of the moneys in the fund to  
27 no-kill animal adoption agencies to facilitate care for  
28 and adoption of greyhounds no longer racing as a result  
29 of the discontinuance of live racing>

30 5. Page 6, by striking lines 10 through 12 and  
31 inserting <industry participants>

32 6. Page 6, line 23, after <determination.> by  
33 inserting <Members of the commission, employees of the  
34 commission, and any experts hired by the commission  
35 pursuant to this section shall be held harmless against  
36 any claim of liability made by any person arising out  
37 of the distribution of moneys from the fund by the  
38 commission.>

39 7. Page 8, line 27, by striking <conduct gambling  
40 games> and inserting <operate an excursion gambling  
41 boat or gambling structure>

42 8. Page 8, line 31, by striking <conduct gambling  
43 games> and inserting <operate an excursion gambling  
44 boat or gambling structure>

45 9. Page 8, by striking lines 32 through 35 and  
46 inserting <99F.>

47 10. Page 12, line 25, by striking <conduct gambling  
48 games> and inserting <operate an excursion gambling  
49 boat or gambling structure>

50 11. Page 14, after line 19 by inserting:

S-5186

1 <Sec. \_\_\_\_\_. Section 99F.4A, subsections 1, 2, 3, and  
2 5, Code 2014, are amended to read as follows:

3 1. Upon application, the commission shall license  
4 the licensee of a pari-mutuel dog or horse racetrack  
5 to ~~operate~~ conduct gambling games at a pari-mutuel  
6 racetrack enclosure subject to the provisions of this  
7 chapter and rules adopted pursuant to this chapter  
8 relating to gambling except as otherwise provided in  
9 this section.

10 2. A license to ~~operate~~ conduct gambling games  
11 shall be issued only to a licensee holding a valid  
12 license to conduct pari-mutuel dog or horse racing  
13 pursuant to chapter 99D on January 1, 1994.

14 3. A person holding a valid license pursuant to  
15 chapter 99D to conduct pari-mutuel wagering at a dog or  
16 horse racetrack is exempt from further investigation  
17 and examination for licensing to ~~operate a~~ conduct  
18 gambling ~~game~~ games pursuant to this chapter. However,  
19 the commission may order future investigations or  
20 examinations as the commission finds appropriate.

21 5. In lieu of the annual license fee specified in  
22 section 99F.5, the annual license fee for ~~operating~~  
23 conducting gambling games at a pari-mutuel racetrack  
24 shall be one thousand dollars.>

25 12. Page 15, line 8, by striking <authorized to  
26 conduct gambling games on> and inserting <of>

27 13. Page 16, line 31, by striking <amending> and  
28 inserting <enacting>

29 14. Page 16, line 31, after <99F.4A> by inserting  
30 <, subsection 9>

31 15. By renumbering as necessary.

**By** JEFF DANIELSON

SENATE FILE 2362

S-5189

1 Amend Senate File 2362 as follows:

2 1. Page 1, line 18, by striking <operate a  
3 pari-mutuel> and inserting <conduct pari-mutuel  
4 wagering at a>

5 2. Page 2, line 32, after <years.> by inserting  
6 <Payments required under this subparagraph shall  
7 be made by the manager of the pari-mutuel racetrack  
8 located in Pottawattamie county for deposit in the Iowa  
9 greyhound pari-mutuel racing fund created in section  
10 99D.9B, as required by this subsection.>

11 3. Page 2, line 35, after <obligation> by inserting  
12 <and any obligation of the manager of the racetrack>

13 4. Page 3, line 18, after <obligation> by inserting  
14 <and any obligation of the manager of the racetrack>

15 5. Page 6, line 3, after <distributed> by inserting  
16 <provided, however, that the commission shall  
17 distribute a portion of the moneys in the fund to  
18 no-kill animal adoption agencies to facilitate care for  
19 and adoption of greyhounds no longer racing as a result  
20 of the discontinuance of live racing>

21 6. Page 6, by striking lines 10 through 12 and  
22 inserting <industry participants>

23 7. Page 6, line 23, after <determination.> by  
24 inserting <Members of the commission, employees of the  
25 commission, and any experts hired by the commission  
26 pursuant to this section shall be held harmless against  
27 any claim of liability made by any person arising out  
28 of the distribution of moneys from the fund by the  
29 commission.>

30 8. Page 8, line 27, by striking <conduct gambling  
31 games> and inserting <operate an excursion gambling  
32 boat or gambling structure>

33 9. Page 8, line 31, by striking <conduct gambling  
34 games> and inserting <operate an excursion gambling  
35 boat or gambling structure>

36 10. Page 8, by striking lines 32 through 35 and  
37 inserting <99F.>

38 11. Page 12, line 25, by striking <conduct gambling  
39 games> and inserting <operate an excursion gambling  
40 boat or gambling structure>

41 12. Page 14, after line 19 by inserting:

42 <Sec. \_\_\_\_\_. Section 99F.4A, subsections 1, 2, 3, and  
43 5, Code 2014, are amended to read as follows:

44 1. Upon application, the commission shall license  
45 the licensee of a pari-mutuel dog or horse racetrack  
46 to ~~operate~~ conduct gambling games at a pari-mutuel  
47 racetrack enclosure subject to the provisions of this  
48 chapter and rules adopted pursuant to this chapter  
49 relating to gambling except as otherwise provided in  
50 this section.

S-5189

1 2. A license to ~~operate~~ conduct gambling games  
2 shall be issued only to a licensee holding a valid  
3 license to conduct pari-mutuel dog or horse racing  
4 pursuant to chapter 99D on January 1, 1994.

5 3. A person holding a valid license pursuant to  
6 chapter 99D to conduct pari-mutuel wagering at a dog or  
7 horse racetrack is exempt from further investigation  
8 and examination for licensing to ~~operate a~~ conduct  
9 gambling ~~game~~ games pursuant to this chapter. However,  
10 the commission may order future investigations or  
11 examinations as the commission finds appropriate.

12 5. In lieu of the annual license fee specified in  
13 section 99F.5, the annual license fee for ~~operating~~  
14 conducting gambling games at a pari-mutuel racetrack  
15 shall be one thousand dollars.>

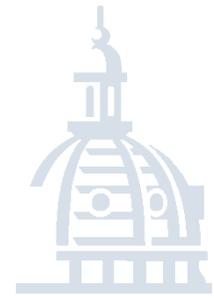
16 13. Page 15, line 8, by striking <authorized to  
17 conduct gambling games on> and inserting <of>

18 14. Page 16, line 31, by striking <amending> and  
19 inserting <enacting>

20 15. Page 16, line 31, after <99F.4A> by inserting  
21 <, subsection 9>

22 16. By renumbering as necessary.

**By** JEFF DANIELSON



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**SF 303** – Military Retirement Pay Tax Exemption (LSB 2169SV.4)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – As amended and passed by the House

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### **Description**

**Senate File 303** as amended by the House strike-after amendment **S-5100**:

- Division I – Exempts all military retirement income from the State income tax, retroactive to January 1, 2014. Military retirement income is excluded from the calculation of the alternate tax and the calculation of the tax filing threshold. This change is effective retroactive to January 1, 2014 (tax year 2014).
- Division II – Amends the current property tax exemption for the property of associations of war veterans to allow those associations to rent their tax-exempt property on an occasional or irregular basis and still retain property tax-exempt status. This change is retroactive to assessment year 2014 (FY 2016).
- Division III – Eliminates the initial plate fee for military versions of vehicle license plates.

### **Background**

Iowa currently exempts the first \$6,000 (single) and \$12,000 (married) in qualified retirement income from the State income tax (applies to traditional pensions, annuities, and distributions from Individual Retirement Accounts (IRA) and deferred compensation plans). To qualify, the taxpayer or the taxpayer's spouse must be 55 years of age or older, disabled, or a surviving spouse or a survivor having an insurable interest in an individual that would have qualified for the exemption during that tax year.

### **Assumptions**

- According to federal Defense Finance and Accounting Services data, pension income paid to 11,472 lowans in 2012 totaled \$252.8 million.
- The Department of Revenue income tax micro model projects 7,765 income tax returns will experience an income tax reduction due to the changes in this Bill.
- The difference between the number of lowans receiving military pensions (11,472) and the number of tax returns benefiting from this Bill (7,765) is explained by:
  - Taxpayers exempt from Iowa income tax due to the current Iowa income tax filing thresholds.
  - Tax situations where Iowa's current \$6,000/\$12,000 pension exemption fully covers an existing military pension.
  - Taxpayers with pension income, including military pension income, in excess of \$6,000/\$12,000, but for other reasons have zero or negative Iowa income tax liability.
  - Disability-related pensions that are already exempt from State income tax.
  - Married taxpayers where both spouses are receiving military retirement income. In those instances, a tax return represents two military pensioners.
- The exemption applies to pensions received by a veteran and by the veteran's family or survivors on behalf of the veteran.
- Military pension payments were assumed to grow with inflation as forecasted by Moody's Analytics in November 2013.

- The tax liability impact was estimated for the 7,765 Iowa tax returns currently paying income tax on all or a portion of their military retirement income using the Department of Revenue’s income tax micro model. The micro model uses tax return information to account for nontaxable military pension benefits, includes interactions with the current pension exclusion, alternate tax, and filing thresholds, and reflects an estimated increase in the number of military retirees living in the State over time.
- The tax change is retroactive to January 1, 2014. For tax year 2014, 30.0% of the revenue reduction is assumed to impact FY 2014 and 70.0% to impact FY 2015. For tax year 2015, 40.0% impacts FY 2015 and 60.0% FY 2016.
- For those school districts that have a local option income surtax in place, the annual yield from that surtax depends on the Iowa income tax owed by Iowa taxpayers living within the school district. Law changes that impact Iowa income tax, with the exception of changes impacting refundable tax credits, also change the amount of revenue generated by the local option income surtax.

**Fiscal Impact**

**Division I** – Exempting military retirement pay from the State income tax and excluding retirement pay from the calculation of the State income tax filing thresholds will reduce taxes owed by retired veterans and their survivors. The following table provides the projected income tax reduction by tax year, along with the revenue impact to the State General Fund and to the local option income surtax for schools.

<b>SF 303 - Military Retirement Income</b>				
<b>Income Tax Reduction and State/Local Revenue Reduction</b>				
In millions				
Tax Year	Income Tax Reduction	Fiscal Year	General Fund Revenue Reduction	Local Option Income Surtax
TY 2014	\$ -8.2	FY 2014	\$ -2.4	\$ 0.0
TY 2015	-8.5	FY 2015	-9.1	-0.3
TY 2016	-8.8	FY 2016	-9.5	-0.3
TY 2017	-9.2	FY 2017	-9.0	-0.3
TY 2018	-9.7	FY 2018	-9.4	-0.3

**Division II** – Allowing veterans organizations to rent tax-exempt property on an occasional or irregular basis without losing tax-exempt status will have a minor negative impact on the State General Fund through the school aid formula, and it will have a minor negative impact on property tax collections Statewide. [Iowa Code section 25B.7](#) (State full-funding of new property tax credits and exemptions) is made not applicable to this property tax exemption change.

**Division III** – Removing fees associated with military veteran specialty license plates will reduce State revenue and increase State expenditures by a total of \$20,000 or less per year.

**Sources**

Department of Revenue Individual Income Tax Micro Model  
 Defense Finance and Accounting Services (DFAS)  
 Moody’s Analytics

/s/ Holly M. Lyons

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April 25, 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 2318** – Antibullying (LSB 5993S5187)

Analyst: John Parker (Phone: (515) 725-2249) ([john.parker@legis.iowa.gov](mailto:john.parker@legis.iowa.gov))

Fiscal Note Version – As amended by **S-5187** (House amendment)

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### **Description**

**Senate File 2318**, as amended by **S-5187**, requires all teachers that have regular and substantial contact with students to complete training on harassment and bullying prevention and response during professional development and training plans. All the training required by the amendment must be made available to trainees, schools, and school districts at no charge. Specifically the amendment:

- Requires all individuals responsible for conducting investigations of incidents of harassment or bullying applying for or renewing a license, certificate, authorization, or statement of recognition issued by the Board of Educational Examiners (BoEE) to complete training on harassment, bullying prevention and response, conducting impartial investigations with transparency, collecting evidence, following up on previous investigations, and reporting incidents of harassment and bullying to the Department of Education.
- Requires all individuals applying for or renewing an administrator license to complete training on implementation of school-wide policies and procedures for harassment and bullying identification, reporting, response, and prevention.
- Modifies the definition of “electronic” under Iowa Code section **280.28** to include any other electronic communication, site, device, or means to the definition and includes social networking sites and applications as part of the term “Internet-based communications.”
- Provides immunity from civil or criminal liability and participation in any administrative or judicial proceeding for a school district, school, or employee that reasonably and in good faith follows notification procedures.
- Requires all school districts and accredited nonpublic schools to establish notification procedures for incidents of harassment or bullying. Harassment and bullying policies must include a procedure for the notification of the parents or guardians of all students directly involved in a reported incident of harassment or bullying. The procedure may include an exception to the notification requirement if a school official reasonably believes notification will subject a student to abuse, neglect, or other physical or mental harm.
- Allows a student that participates in open enrollment to immediately participate in varsity athletic contests if the district of residence determines the student was subject to harassment or bullying while attending school in the district of residence. Typically, students that participate in open enrollment are ineligible to participate in varsity athletics during the student’s first 90 school days of enrollment in the district.

### **Assumptions**

- Development of harassment and bullying prevention and response training will be done by the Area Education Agencies (AEAs) at a cost of \$22,500.
- The training materials will be made available online and will be hosted and maintained in the AEA system. Additional server space and support for costs related to hosting online training will cost \$125,000 per year.

- Programming support to create and maintain the training materials will require an additional FTE position housed within the AEA system at an annual cost of \$75,000 for salary and benefits.
- Currently, the AEA system offers other mandatory training at a cost of \$25 per licensee. The harassment and bullying prevention and response training will be paid by the licensee if the school districts do not use the subscription-based services for trainings offered through the AEAs.
- In the first year, four regional “investigation of bullying and harassment complaints” trainings will be conducted with a minimum of two attendees from each school district. The following year and subsequent years, two Statewide investigation trainings will be offered to sustain the number of district staff trained. The cost of each training session is estimated to be \$16,500.
- Teacher and administrator time spent in training and other related expenses will be paid for by using current funding levels.

**Fiscal Impact**

[Senate File 2318](#) as amended by [S-5187](#) will increase General Fund expenditures for the Area Education Agency system by \$288,500 and 1.0 FTE position in FY 2015 and \$233,000 and 1.0 FTE position for FY 2016 and subsequent fiscal years.

**Sources**

Department of Education  
Area Education Agencies

\_\_\_\_\_  
/s/ Holly M. Lyons

April 25, 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.  
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**SF 2340** – Solar Energy Tax Credits (LSB 6111SV.2)

Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))

Fiscal Note Version – As amended and passed the House

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**Description**

**Senate File 2340**, as amended and passed by the House, increases the annual limit for the existing Solar Energy System Tax Credit from \$1.5 million to \$3.0 million, retroactive to January 1, 2014. In addition, this Bill provides that if the annual credit cap is not fully utilized in one year, the unused credits remain available in a future year.

**Background**

Under current law, the federal credit expires January 1, 2017, so only installations prior to that date are eligible for the Iowa credit. However, should Congress extend the credit past the current sunset, the Iowa tax credit will be extended automatically.

**Assumptions**

- Of the total 2012 Solar Energy System Tax Credit awards, 40.0% of the total amount of applications was received after February 2013. It is assumed that beginning in March 2014, the Department will receive additional applications for 2013 awards equal to 40.0% of applications received by the end of February 2014. With this assumption, it is estimated that total tax credit applications for systems installed in tax year 2013 will be \$2.9 million. Under current law, \$1.4 million of that amount will be awarded as tax year 2014 tax credits for installations which occurred in 2013.
- It is assumed that applications for tax credits will total at least \$2.9 million each year for 2014 through 2016.
- With the estimated \$1.4 million of 2013 installations receiving tax year 2014 credits and an estimated \$2.9 million in applications for 2014, it is assumed the full annual cap of \$3.0 million under this Bill will be issued for 2014, with applications above the cap pushed into 2015 awards.
- With applications expected to remain at 2014 levels, 2015 and 2016 awards are also expected to reach the cap. Under current law, it is estimated that the \$1.5 million cap will allow tax credits for all installations in 2013 and 2014 to be fully funded, but 2015 installations will only receive a total of \$0.1 million of tax credit awards and there will be no remaining funds for 2016 installations. Under this proposal, installations occurring in 2013, 2014, and 2015 will be fully funded and 2016 installations will receive \$1.7 million of tax credit awards.
- It is assumed the awards will be claimed within the first five years of the carryforward period.
- Timing of the tax credit claims is assumed to be similar to other nonrefundable tax credits with a five-year carryforward period such as the Endow Iowa Tax Credit, the School Tuition Organization Tax Credit, and the Agricultural Assets Transfer Tax Credit. For those programs, tax credits earned in one year are redeemed 56.6% in the first year, 24.5% in the second year, and 18.9% is spread over the next four tax years.

**Fiscal Impact**

The proposed changes to the Solar Energy System Tax Credit are projected to reduce net General Fund revenue by the amounts in the following table.

<b>Solar Energy Tax Credit</b>	
Net General Fund Impact, in Millions	
	Solar Energy Tax Credit
FY 2015	\$ -0.8
FY 2016	-1.2
FY 2017	-1.3
FY 2018	-0.6
FY 2019	-0.2
FY 2020	-0.2
FY 2021	-0.1
FY 2022	-0.1
	<hr/>
	\$ -4.5

Under current federal law, the fiscal impact does not continue past FY 2022. However, if the federal solar tax credit is extended, the Iowa tax credit is also extended.

**Source**

Department of Revenue

\_\_\_\_\_  
/s/ Holly M. Lyons

April 25, 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 2358** – Government Accountability and Employment Practices (LSB 6216SV)  
Analyst: Ron Robinson (Phone: (515) 281-6256) ([ron.robinson@legis.iowa.gov](mailto:ron.robinson@legis.iowa.gov))  
Fiscal Note Version – New

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**Description**

**Division I** of this Bill concerns personnel settlement agreements and requires personnel settlement agreements between the State and an employee of the State to be reviewed and approved by the Attorney General and the applicable employer. The agreements are not to contain any confidentiality or nondisclosure provisions and any such provisions are void and unenforceable. This Bill provides for the posting of the personnel settlement agreements on an Internet site. This Division is effective on enactment.

**Division II** of this Bill requires the Auditor of State to conduct an examination of the personnel settlement agreements made with terminated State employees since January 2011. The costs associated with the examination are to be charged to the Department of Administrative Services (DAS). The Auditor is to submit a report on the results of the examination to the General Assembly by December 1, 2014.

**Division III** of this Bill requires a State agency to perform a cost comparison analysis prior to entering into a service contract as defined in Iowa Code section [8F.2](#). The cost comparison requires a determination if a service contract will result in lower contract costs than having the services provided by State government. The service contract cannot be entered if the State could provide the service for less. If it is determined that the proposed service contract will result in reduced public employment, the State agency is then required to conduct a more in-depth economic and environmental impact analysis relating to the loss of public employment. The Division also requires employee compensation of a selected service contractor to be comparable to the compensation of public employees performing similar work or the average private sector wage, in this State, for similar work, whichever is less.

**Division IV** of this Bill concerns State employment hiring procedures and establishes procedures for designating an individual as ineligible to apply for State employment and specifies the right of the individual to appeal the determination. The Division also requires the establishment of procedures providing for the hiring of employees. The procedures are to provide for public announcement and advertisement of vacancies.

**Division V** of this Bill concerns executive branch bonuses and requires that information concerning bonus payments to an executive branch employee of more than \$200 to be posted on an Internet site.

**Division VI** of this Bill concerns whistleblower protection and adds the disclosure of specified information by a State employee to any appropriate person, and not just to a public official or law enforcement agency, to the list of protected disclosures. The Division further adds actual damages to the list of awards that can be made in an action seeking relief for a violation of disclosure protection provisions. The Division applies to the State and political subdivisions of the State.

**Division VII** of this Bill establishes a Vertical Infrastructure Advisory Committee consisting of seven members, appointed by the Governor and approved by the Senate. The Committee will oversee the inventory and assessment of State-owned vertical infrastructure. The Committee will develop and recommend methods for identifying, evaluating, and prioritizing infrastructure and maintenance needs, and annually submit a five-year plan of recommendations to the Governor and the General Assembly no later than December 15 of each year. The Committee members can receive reimbursement for actual expenses as well as a per diem of \$50.

### **Background**

- The current procedures for processing claims, reporting the payment of claims resolved with a settlement agreement, and the duties of the Attorney General, are specified in Iowa Code chapter [25](#).
- Under current law, a service contract only exists when a contract between an agency and recipient exceeds \$500,000. Iowa Code section [8F.2](#) also stipulates various types of contracts (i.e., construction contracts) that are excluded from the definition of service contract.
- Services contracts covered under current law have averaged in total, on an annual basis, \$818.4 million for FY 2008 through FY 2013. The amount of each service contract related to employee compensation is not known.

### **Fiscal Impact**

[Senate File 2358](#) is estimated to have the following fiscal impacts:

#### **Division I – Personnel Settlement Agreements**

No significant fiscal impact.

#### **Division II – Personnel Settlement Agreements Examination**

The fiscal impact cannot be determined. It has not yet been determined how all settlement agreements entered into by the State, including the Judicial, Legislative, and Executive Branches (including the Board of Regents), will be located, and the number of agreements.

#### **Division III – Service Contracts**

##### **Assumptions**

- The number of service contracts exceeding \$500,000 to be annually processed is estimated at 69.
- The required cost comparison analysis of service contracts will be completed by a Senior State Fiscal and Policy Analyst at a salary and benefit range of \$74,800 to \$133,300.
- Support costs and office expense are estimated at 20.0% of salaries.
- The amount of time required to complete a cost comparison analysis of a service contract is not known. For estimating purposes, it is assumed the initial cost comparison analysis for each service contract will take between three and four weeks on average to complete.
- The number of economic and environmental analyses that would be conducted due to a finding that a service contract will result in the reduction of State employees cannot be determined; however, it is expected to be a relatively small number in relation to the total number of service contracts entered into annually.
- Indirect costs relating to increased prices quoted by vendors due to potential delays in awarding contract are not included.
- Compensation includes both wages and benefits.

### Fiscal Impact – Division III

The estimated cost to Executive Branch agencies to complete the cost comparison analysis on service contracts is estimated to range from \$342,000 to \$807,000 per year. The costs will impact multiple State funding sources.

	Range	
	Min	Max
Salaries and Benefits		
State Fiscal and Policy Analyst	\$ 74,838	\$133,282
FTE Positions	4.0	5.3
Total Salaries & Benefits	\$299,352	\$706,395
Total Support Costs	42,456	100,816
TOTAL	<u>\$341,808</u>	<u>\$807,211</u>

The estimated cost to complete an economic and environmental analysis, as a result of a finding that a service contract could result in the reduction of State employees, is estimated to range between \$4,800 and \$10,500.

The Legislative Services Agency (LSA) does not have the detailed data that would be needed to estimate the cost of requiring employee compensation of a selected service contractor to be comparable to the compensation of public employees performing similar work or the average private sector wage, in this State, for similar work, whichever is less. Studies from other states and estimates by State agencies have indicated the required compensation component of the total contract will range from no impact to an increase in the wage and benefit component cost of the contract by 20.0%. The amount of each service contract related to employee compensation is not known.

### **Division IV – State Employment Hiring Procedures**

The fiscal impact cannot be determined. It is not possible to know the number of employees that will be designated as ineligible to apply for State employment or the number of employees that will appeal the designation. The public announcement and advertisement of vacancies will not have a significant fiscal impact.

### **Division V – State Employee Bonuses**

No significant fiscal impact.

### **Division VI – Whistleblower Protection**

The fiscal impact cannot be determined. The Office of the Attorney General has indicated that this Bill will increase lawsuits substantially because it expands the list of persons that an employee can make protected disclosures to and adds actual damages to the list of relief available to an aggrieved employee, which would include emotional distress. Since it is not possible to know what, if any, the increase in the number of cases defended by the Attorney General will be, or the amount of awards that may be made, it is not possible to estimate the needed increase, if any, of resources for the Attorney General, or the amount of awards made

or the source of the funds needed to make the awards. For the same reasons, it is not possible to estimate the cost, if any, to political subdivisions of the State.

## **Division VII – Vertical Infrastructure Advisory Committee**

### Assumptions

- Assumes the Committee will meet once per month.
- Estimates the average travel cost per Committee member at \$39 per meeting and assumes average roundtrip travel distance of 100 miles per member times the current mileage reimbursement rate of \$0.39 per mile.
- Assumes each Committee member will receive \$50 per diem.
- Assumes the cost to staff and run the meetings will be covered with existing resources of the Department of Management and the Department of Administrative Services.

### Fiscal Impact – Division VII

The cost to operate the Vertical Infrastructure Advisory Committee is estimated to be \$7,500 per year.

### Sources

Board of Regents  
Department of Administrative Services  
Department of Corrections  
Department of Education  
Department of Human Services  
Department of Inspections and Appeals  
Department of Management  
Department of Natural Resources  
Department of Public Health  
Department of Public Safety  
Department of Revenue  
Department of Transportation  
Department of Workforce Development  
Iowa Lottery Authority  
Iowa Public Information Board  
Iowa State Association of Counties  
Iowa State Association of School Boards  
Iowa Veterans Home  
Office of the Attorney General  
Office of the Auditor of State  
Office of the Citizens' Aide/Ombudsman  
Public Employment Relations Board  
University of Missouri-Kansas City

/s/ Holly M. Lyons

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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**SF 2362** – Greyhound Racing III (LSB 6228SV)  
Analyst: David Reynolds (Phone: (515) 281-6934) ([dave.reynolds@legis.iowa.gov](mailto:dave.reynolds@legis.iowa.gov))  
Fiscal Note Version – New

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**Description**

**Senate File 2362** makes changes to greyhound dog racing in Iowa. This Bill allows the casinos (licensees) that operate pari-mutuel dog racing in Dubuque and Pottawattamie counties to phase out dog racing and to continue operating other types of gambling games. Under current law, these two establishments are required to operate dog racing as a condition for conducting other types of gambling games. This Bill provides for a live racing cessation date for the licensee in Dubuque County of October 31, 2013; and December 31, 2015, for the licensee in Pottawattamie County.

This Bill creates a Live Racing Cessation Fee for both establishments as follows:

- Dubuque Racetrack/Casino: Fees totaling \$7.0 million, payable in \$1.0 million installments over seven years beginning January 1, 2015.
- Pottawattamie Racetrack/Casino: Fees totaling \$65.0 million, payable in installments of approximately \$9.286 million over a seven-year period beginning January 1, 2016.

This Bill allows the Iowa Greyhound Association (IGA) to apply for a license to conduct pari-mutuel wagering on live dog races and simulcast horse and dog races. If the application is submitted by October 1, 2014, the Commission is required to take action by December 1, 2014. If a license is approved, the IGA is authorized to enter into a lease arrangement with the licensee in Dubuque to operate live racing and conduct pari-mutuel wagering and simulcasting at the Dubuque facility.

This Bill creates the Iowa Greyhound Pari-Mutuel Racing Fund and transfers the following revenue sources to the Fund:

- Funds remaining in the Dog Racing Promotion Fund on the cessation dates in this Bill (approximately \$17,500).
- Live Racing Cessation Fee created in this Bill (\$72.0 million over eight years).

The proceeds in the Iowa Greyhound Pari-Mutuel Racing Fund are to be distributed as follows:

- 50.0% (\$36.0 million) to IGA if the Association is licensed and conducts live dog racing as authorized by this Bill. The funds are to be used to pay costs associated with conducting live racing and pari-mutuel wagering.
- 50.0% (\$36.0 million) will be distributed by the Iowa Racing and Gaming Commission to applicable greyhound industry participants; no-kill animal adoption agencies for care and adoption of greyhounds; and to kennel owners, operators, and greyhound owners for costs incurred in removing property from the dog racetrack located in Pottawattamie County. This Bill allows the Commission to retain a portion of the funds to pay for a consultant to assist the Commission with the development of a distribution plan and to cover administrative expenses associated with administering the Fund.

**Assumptions**

- The pari-mutuel tax rate for live dog racing is 4.0% and is assessed on the total gross sum wagered. Of this, 3.0% is remitted to the State and deposited in the Rebuild Iowa Infrastructure Fund, and 1.0% is remitted to the cities and counties where the racetracks are located.
- The tax rate for simulcast dog racing is 2.0%. Of this, 1.0% is remitted to the State and deposited in the Rebuild Iowa Infrastructure Fund, and 1.0% is remitted to the cities and counties where the racetracks are located.
- Iowa Code section [99D.14\(3\)](#) requires all dog and horse racetracks in Iowa to pay a \$200 daily license fee to the State for each scheduled racing day including simulcast racing. The two racetracks simulcast racing 5 days a week year-round (except certain holidays). This amounts to approximately 313 days for which the racetracks pay the \$200 fee.
- This Bill reduces the number of required race days for the racetrack in Dubuque County under the operation of the IGA to 65 days in 2015 and 95 days in 2016 and subsequent years.
- Racing and simulcast activity for FY 2015 and subsequent years in Dubuque County will be similar to calendar year 2013.
- The annual total gross sum wagered in 2013 on live dog racing at the racetrack in Pottawattamie County was \$4.0 million and \$12.5 million on simulcast racing. In Dubuque County, total gross sum wagered on live racing was \$1.8 million and \$3.2 million on simulcast racing.
- The licensee of the racetrack in Pottawattamie County will discontinue live dog racing and simulcasting of horse and dog races on January 1, 2016.
- Assumes the IGA will be licensed to conduct pari-mutuel wagering on live dog races and simulcast horse and dog races at the Dubuque racetrack and begin operations in January of 2015.
- The estimates were adjusted to account for the cessation dates occurring in the middle of fiscal years 2015 and 2016 in order to show the fiscal impact on a fiscal year basis.

**Fiscal Impact**

[SF 2362](#) is estimated to reduce state revenue to the Rebuild Iowa Infrastructure Fund by \$27,500 in FY 2015, \$168,000 in FY 2016, and \$322,000 in FY 2017 and subsequent years.

<b>SF 2362</b>			
<b>Estimated Reduction in State Revenue</b>			
<b>Racetrack</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Pottawattamie</b>			
Pari-Mutuel Tax	\$ 0	\$ -122,000	\$ -244,000
Daily License Fee	0	\$ -31,000	\$ -63,000
SubTotal	<u>0</u>	<u>-153,000</u>	<u>-307,000</u>
<b>Dubuque</b>			
Pari-Mutuel Tax	-27,500	-15,000	-15,000
SubTotal	<u>-27,500</u>	<u>-15,000</u>	<u>-15,000</u>
<b>Total</b>	<u>\$ -27,500</u>	<u>\$ -168,000</u>	<u>\$ -322,000</u>

This Bill is estimated to reduce pari-mutuel tax revenue by the amounts list below for Dubuque and Pottawattamie counties and the respective cities where the racetracks are located.

SF 2362			
Estimated Reduction in Local Revenue			
Counties	FY 2015	FY 2016	FY 2017
Pottawattamie	\$ 0	\$ -82,000	\$ -164,000
Dubuque	-9,200	-5,000	-5,000
Total	<u>\$ -9,200</u>	<u>\$ -87,000</u>	<u>\$ -169,000</u>

The Iowa Greyhound Pari-Mutuel Racing Fund will receive an estimated \$72.0 million from the live racing cessation fee over an eight-year period (2015 to 2022) from the racetrack casinos licensed in Dubuque and Pottawattamie counties. Fifty percent of the money will be distributed to the IGA for conducting pari-mutuel wagering on live dog races and simulcast horse and dog races. The remaining 50.0% will be distributed by the Racing and Gaming Commission to various greyhound industry participants and no-kill animal adoption agencies.

**Sources**

Iowa Racing and Gaming Commission  
Legislative Services Agency

/s/ Holly M. Lyons

April 25, 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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