

**EIGHTY-SIXTH GENERAL ASSEMBLY  
2016 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

FEBRUARY 17, 2016

SENATE FILE 398

S-5007

1 Amend Senate File 398 as follows:  
2 1. Page 1, before line 1 by inserting:  
3 <Section 1. Section 91A.6, subsection 1, Code 2016,  
4 is amended to read as follows:  
5 1. An employer shall ~~after being notified by the~~  
6 ~~commissioner pursuant to subsection 2~~ do the following:  
7 a. Notify its employees in writing at the time of  
8 hiring what wages and regular paydays are designated  
9 by the employer.  
10 b. Notify its employees in writing whose wages are  
11 determined based on a task, piece, mile, or load basis  
12 about the method used to calculate wages and when the  
13 wages are earned by the employees.  
14 ~~b.~~ c. Notify, at least one pay period prior to the  
15 initiation of any changes, its employees of any changes  
16 in the arrangements specified in this subsection ~~+~~ that  
17 reduce wages or alter the regular paydays. The notice  
18 shall either be in writing or posted at a place where  
19 employee notices are routinely posted.  
20 ~~e.~~ d. Make available to its employees upon written  
21 request, a written statement enumerating employment  
22 agreements and policies with regard to vacation pay,  
23 sick leave, reimbursement for expenses, retirement  
24 benefits, severance pay, or other comparable matters  
25 with respect to wages. Notice of such availability  
26 shall be given to each employee in writing or by a  
27 notice posted at a place where employee notices are  
28 routinely posted.  
29 ~~d.~~ e. Establish, maintain, and preserve for three  
30 calendar years the payroll records showing the hours  
31 worked, wages earned, and deductions made for each  
32 employee and any employment agreements entered into  
33 between an employer and employee.  
34 Sec. \_\_\_\_\_. Section 91A.6, subsection 2, Code 2016,  
35 is amended by striking the subsection.>

S-5007

**S-5007**

Page 2

- 1 2. Page 1, line 1, by striking <2015> and inserting
- 2 <2016>
- 3 3. Page 1, line 8, by striking <2015> and inserting
- 4 <2016>
- 5 4. By renumbering as necessary.

COMMITTEE ON LABOR AND BUSINESS RELATIONS  
TONY BISIGNANO, CHAIRPERSON

**S-5007** FILED FEBRUARY 16, 2016

**SENATE FILE 2112**

**S-5006**

- 1 Amend Senate File 2112 as follows:
- 2 1. Page 5, line 16, after <fiduciary's> by
- 3 inserting <or designated recipient's>

**By** ROBERT M. HOGG

**S-5006** FILED FEBRUARY 16, 2016

**SENATE FILE 2155**

**S-5008**

- 1 Amend Senate File 2155 as follows:
- 2 1. Page 1, line 1, by striking <29C.24> and
- 3 inserting <8D.15>
- 4 2. Page 1, line 5, by striking <department> and
- 5 inserting <Iowa telecommunications and technology
- 6 commission>
- 7 3. Page 1, line 6, by striking <department> and
- 8 inserting <commission>
- 9 4. Page 1, line 8, by striking <department in> and
- 10 inserting <commission in>
- 11 5. Page 1, line 24, by striking <29C.24> and
- 12 inserting <8D.15>

**By** JEFF DANIELSON

**S-5008** FILED FEBRUARY 16, 2016



---

**SF 2052** – Biofuel Tax Incentives (LSB5598SS)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

---

**Description**

**SF 2052** relates to biofuel (ethanol and biodiesel) tax incentives.

- Extends the production payment currently available for biodiesel manufacturers located in Iowa. The payment is equal to \$0.02 per gallon produced, up to a total of 25.0 million annual gallons for each manufacturing facility. The payment, set to expire January 1, 2018, is extended seven years to January 1, 2025.
- Extends the E-15 Plus Gasoline Promotion Tax Credit expiration date seven years from the current January 1, 2018, date to January 1, 2025.
- Extends the E-85 Gasoline Promotion Tax Credit expiration date seven years from the current January 1, 2018, date to January 1, 2025.
- Extends the Biodiesel Blended Fuel Tax Credit expiration date seven years from the current January 1, 2018, date to January 1, 2025.
- Increases the Biodiesel Blended Fuel Tax Credit for biodiesel blends of B-11 or greater (currently \$0.045 per blended gallon) to \$0.07 per blended gallon. This change is retroactive to January 1, 2016. Biodiesel blends of B-5 through B-10 will continue to receive a tax credit equal to \$0.045 per blended gallon.

**Background**

The E-15, E-85, and Biodiesel Blended Fuel Tax credits are funded through the individual and corporate income tax process. The tax credits are refundable. As refundable credits they do not impact the calculation of the local option income surtax for schools. The biodiesel production payment is funded through a sales tax refund process that is also refundable.

Iowa taxes diesel fuel that contains 10.0% biodiesel (B-10) or less at \$0.325 per gallon. Iowa taxes diesel fuel with biodiesel content greater than 10.0% at a rate \$0.03 per gallon lower, or \$0.295 per gallon.

Iowa taxes gasoline that does not contain at least 9.0% ethanol (E-9) at \$0.308 per gallon. Iowa taxes gasoline that does contain ethanol at a rate \$0.015 per gallon lower, or \$0.293 per gallon.

Revenue raised by the State tax on gasoline and diesel fuel is deposited in the Road Use Tax Fund.

**Assumptions**

All gasoline and diesel fuel gallon projections were provided by the Department of Revenue and are based on:

- Historical tax credit usage and redemption patterns
- The 2014 Iowa Retailers' Fuel Gallons Annual Report
- Fuel demand forecasts from the U.S. Energy Information Administration

For the projection, extension of the two ethanol tax credits is not assumed to impact the percentage of gallons sold in Iowa that are blended with ethanol. Therefore, the ethanol tax credit extensions are not projected to have an impact on the Road Use Tax Fund.

Increasing the tax credit available for biodiesel blends in excess of B-10 is projected to increase the number of diesel gallons sold at the lower tax rate and decrease the number of gallons sold at the higher rate. The Department of Revenue projects that the higher tax credit incentives available for diesel blends in excess of B-10 will result in 113.0 million diesel gallons shifting from B-10 or lower gallons to gallons that are blends higher than B-10. Of those 113.0 million annual gallons, 87.0 million (77.0%) are expected to be gallons subject to the State diesel fuel tax. At a tax rate differential of \$0.03 per gallon, the shift to blends higher than B-10 will decrease Road Use Tax Fund fuel tax revenue by \$2.6 million per calendar year through the end of calendar year 2024.

**Fiscal Impact**

This Bill has four separate General Fund fiscal impacts. All four impacts are projected to reduce net General Fund revenue through the redemption of refundable tax credits.

- Extension of the biodiesel production payment
- Extension of the E-15 Plus Gasoline Tax Credit
- Extension of the E-85 Gasoline Promotion Tax Credit
- Extension and increase of the Biodiesel Blended Fuel Tax Credit

The projected reduction in net General Fund revenue for each provision, as well as the summed total, is presented in the following table.

<b>Projected Reduction in General Fund Revenue</b>						
In millions						
	Biodiesel Production Payment	E-15	E-85	Biodiesel Blended Fuel Tax Credit	Total Impact	
FY 2016	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1.0	\$ 1.0	
FY 2017	0.0	0.0	0.0	5.3	5.3	
FY 2018	0.9	0.1	0.7	9.0	10.7	
FY 2019	4.0	0.5	3.0	23.5	31.0	
FY 2020	4.1	0.6	3.4	24.2	32.3	
FY 2021	4.1	0.7	3.6	24.4	32.8	
FY 2022	4.2	0.7	3.9	24.5	33.3	
FY 2023	4.2	0.8	4.2	24.7	33.9	
FY 2024	4.3	0.9	4.5	24.9	34.6	
FY 2025	3.2	0.8	3.7	20.3	28.0	
FY 2026	0.0	0.1	0.3	0.4	0.8	
	<u>\$ 29.0</u>	<u>\$ 5.2</u>	<u>\$ 27.3</u>	<u>\$ 182.2</u>	<u>\$ 243.7</u>	

The Bill also impacts the Road Use Tax Fund. The increased incentive available for biodiesel blended fuel in excess of B-10 is projected to reduce diesel fuel sales subject to the \$0.325 per gallon tax rate and increase sales subject to the \$0.295 tax rate. This projected shift will result in lower revenue from the tax on diesel fuel. The projected impact is a projected reduction in Road Use Tax Fund revenue of \$2.6 million per calendar year. By fiscal year, the projected reduction equals:

- FY 2016 — \$650,000
- FY 2017 through FY 2024 — \$2.6 million per year
- FY 2025 — \$1.3 million

**Sources**

Iowa Department of Revenue  
2014 Iowa Retailers' Fuel Gallons Annual Report  
U.S. Energy Information Administration

/s/ Holly M. Lyons

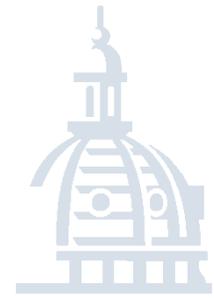
---

February 15, 2016

---

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

---



---

**SF 2142** – Primary Election Voters, Eighteen Year Olds at General Election (LSB5091SV)  
Analyst: Jennifer Acton (Phone: (515-281-7846) ([jennifer.acton@legis.iowa.gov](mailto:jennifer.acton@legis.iowa.gov))  
Fiscal Note Version – New

---

**Description**

**Senate File 2142** relates to voter registration and voting by lowering the age at which a person may register to vote and the age at which a registered voter is eligible to vote in a primary. The bill allows a registered voter who is not 18 years of age to vote in a primary election if the voter will be at least 18 years of age on the date of the general election.

**Background**

- Current law in Iowa permits a young person who is at least 17 and one-half years of age to register to vote. The registration does not become effective until the voter turns 18 years of age.
- According to the National Conference on State Legislatures (NCSL), approximately 21 states, including Iowa currently, permit young people to register to vote before they reach the voting age of 18.

**Assumptions**

- Arikkan, the IVoters System vendor, estimates between 1,300 and 1,750 hours to reprogram the IVoters system. The cost per hour is approximately \$110.
- Precinct Atlas, an electronic pollbook system for over 55 counties in Iowa estimates programming costs of approximately \$600.

**Fiscal Impact**

The fiscal impact to the Secretary of State's Office to reprogram the IVoters System for voter registration and election management is estimated to range between \$143,000 and \$193,000.

**Source**

Office of the Secretary of State  
NCSL

/s/ Holly M. Lyons

---

February 15, 2016

---

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

---



---

**SF 2163** – Board of Educational Examiners Fees (LSB5246SV)  
Analyst: Tim Crellin (Phone: (515) 725-1286) ([timothy.crellin@legis.iowa.gov](mailto:timothy.crellin@legis.iowa.gov))  
Fiscal Note Version – New

---

**Description**

**Senate File 2163** caps the maximum amount of licensing fee carryover retained by the Board of Educational Examiners at \$650,000. Any amount in excess of \$650,000 will revert to the State General Fund. The bill prohibits the Board from increasing licensing fees during FY 2016 and FY 2017. Additionally, the Bill nullifies administrative rule **ARC 2229C**.

**Background**

In December 2015, the Board of Educational Examiners presented ARC 2229C to the Administrative Rules Review Committee (ARRC). The rule provides for a \$4 increase for all licensing fees charged by the Board. The Board requested the increase in part due to a transfer of \$600,000 the General Assembly made from the Board to the Department of Education for FY 2016. During the December meeting, the ARRC approved a session delay on the rule. Barring legislative action, ARC 2229C will become effective upon adjournment of the 2016 Legislative Session.

**Assumptions**

- The revenue growth rate for the Board will be 0.85% annually. The rate is based on the Board's annual revenue growth rate during the period of FY 2011 through FY 2015.
- The expenditure growth rate for the Board will be 3.84% annually. The rate is based on the Board's annual expenditure growth rate during the period of FY 2011 through FY 2015.
- The Board will conduct 31,000 licensing transactions per year in FY 2017 and FY 2018.
- The Board will not increase licensing fees during FY 2018.

**Fiscal Impact**

The nullification of **ARC 2229C** is estimated to decrease State General Fund revenue by \$31,000 per year in FY 2017 and FY 2018 and decrease Board revenue by \$92,000 in FY 2017 and \$93,000 in FY 2018.

Based on LSA projections, implementing a carryover cap of \$650,000 is estimated to have no impact to the State General Fund as the ending balance is not estimated to exceed \$650,000 during the period of FY 2016 through FY 2018 as shown in the chart on the following page.

**Board of Educational Examiners Projected Revenues and Expenditures - SF 2163**

	<u>Projected Expenditures</u>	<u>Projected Revenues</u>	<u>Revenues less Expenditures</u>	<u>Beginning Cash Reserves</u>	<u>Ending Cash Reserves</u>
FY 2016	\$ 2,226,956	\$ 2,157,270	\$ -69,686	\$ 570,693	\$ 501,008
FY 2017	2,312,471	2,175,607	-136,864	501,008	364,144
FY 2018	2,401,270	2,194,100	-207,170	364,144	156,974

Notes:

- 1) Based on FY 2015 actual revenues, expenditures, and ending cash reserves.
- 2) Revenue excludes 25.00% of licensure fees transferred to the General Fund.

**Sources**

Board of Educational Examiners  
LSA Analysis

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

February 16, 2016

\_\_\_\_\_  
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.