

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

APRIL 25, 2016

**HOUSE AMENDMENT TO
SENATE FILE 2187**

S-5163

1 Amend Senate File 2187, as passed by the Senate, as
2 follows:

3 1. Page 1, line 13, by striking <request.> and
4 inserting <request, if the form indicates the licensee
5 was honorably discharged. If the license is issued
6 upon presentation of the licensee's certification of
7 release or discharge from active duty, DD form 214,
8 the department shall notify the commission of veteran
9 affairs of the county of the licensee's residence
10 that the licensee was issued a license marked to
11 reflect the licensee's veteran status. After receiving
12 notification from the department, the commission shall
13 initiate contact with the licensee.>

14 2. Page 1, after line 13 by inserting:
15 <Sec. ____ . Section 321L.2, subsection 1, unnumbered
16 paragraph 1, Code 2016, is amended to read as follows:

17 A resident of the state with a disability desiring
18 a persons with disabilities parking permit shall
19 apply to the department upon an application form
20 furnished by the department providing the applicant's
21 full legal name, address, date of birth, and social
22 security number or Iowa driver's license number or
23 Iowa nonoperator's identification card number, and
24 shall also provide a statement from a physician
25 licensed under chapter 148 or 149, a physician
26 assistant licensed under chapter 148C, an advanced
27 registered nurse practitioner licensed under chapter
28 152, or a chiropractor licensed under chapter
29 151, or a physician, physician assistant, nurse
30 practitioner, or chiropractor licensed to practice
31 in a contiguous state, written on the physician's,
32 physician assistant's, nurse practitioner's, or
33 chiropractor's stationery, stating the nature of the
34 applicant's disability and such additional information
35 as required by rules adopted by the department

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1 under section 321L.8. If the person is applying
2 for a temporary persons with disabilities parking
3 permit, the physician's, physician assistant's, nurse
4 practitioner's, or chiropractor's statement shall
5 state the period of time during which the person is
6 expected to be disabled and the period of time for
7 which the permit should be issued, not to exceed six
8 months. The department may waive the requirement that
9 the applicant furnish the applicant's social security
10 number, Iowa driver's license number, or nonoperator's
11 identification card number when the application for
12 a temporary persons with disabilities parking permit
13 is made on behalf of a person who is less than one
14 year old. The department may accept a certification
15 of disability from the United States department
16 of veterans affairs in lieu of a statement from a
17 physician, physician assistant, advanced registered
18 nurse practitioner, or chiropractor. The department
19 may adopt rules pursuant to chapter 17A detailing
20 the requirements for an acceptable certification of
21 disability.>

22 3. Title page, line 2, after <status> by inserting
23 <and providing for the acceptance of a disability
24 certification from the United States department of
25 veterans affairs for a persons with disabilities
26 parking permit>

27 4. By renumbering as necessary.

RECEIVED FROM THE HOUSE

HOUSE AMENDMENT TO
SENATE FILE 2320

S-5162

1 Amend Senate File 2320, as passed by the Senate, as
2 follows:
3 1. By striking page 1, line 20, through page 2,
4 line 5, and inserting:
5 <2. For salaries, support, maintenance, and
6 miscellaneous purposes:
7 a. Operations:
8 \$ ~~3,279,911~~
9 6,643,821
10 b. Planning:
11 \$ ~~219,487~~
12 438,973
13 c. Motor vehicles:
14 \$ ~~17,962,673~~
15 35,925,345
16 d. Performance and technology:
17 \$ ~~254,520~~
18 509,040>
19 2. By striking page 3, line 26, through page 4,
20 line 25, and inserting:
21 <1. For salaries, support, maintenance,
22 miscellaneous purposes, and for not more than the
23 following full-time equivalent positions:
24 a. Operations:
25 \$ ~~20,148,023~~
26 40,812,045
27 FTEs ~~267.00~~
28 261.00
29 b. Planning:
30 \$ ~~4,170,241~~
31 8,340,481
32 FTEs ~~102.00~~
33 98.00
34 c. Highways:
35 \$~~119,414,428~~

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1			<u>240,485,855</u>
2	FTEs	<u>2,056.00</u>
3			<u>1,994.00</u>
4	d. Motor vehicles:		
5	\$	<u>748,445</u>
6			<u>1,496,889</u>
7	FTEs	<u>412.00</u>
8			<u>402.00</u>
9	e. Performance and technology:		
10	\$	<u>1,563,480</u>
11			<u>3,126,960</u>
12	FTEs	<u>35.00</u>
13			<u>34.00></u>

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**HOUSE AMENDMENT TO
SENATE FILE 2323**

S-5161

1 Amend Senate File 2323, as amended,
2 passed, and reprinted by the Senate, as follows:
3 1. Page 4, line 4, by striking <48,689,681> and
4 inserting <48,939,681>
5 2. Page 13, by striking lines 26 through 29.
6 3. Page 30, after line 26 by inserting:
7 <Sec. ____ . STATE BOARD OF EDUCATION – SUSPENSION
8 OF RULE APPLICABILITY – REVIEW BY ADMINISTRATIVE
9 RULES REVIEW COMMITTEE. The applicability of 281
10 Iowa administrative code, rule 12.8, subrule 1,
11 paragraph "h", is suspended until July 1, 2017. The
12 administrative rules review committee shall review
13 281 Iowa administrative code, rule 12.8, subrule 1,
14 paragraph "h", at its regular meeting in December
15 2016.>
16 4. Page 31, after line 1 by inserting:
17 <5. The section of this Act suspending the
18 applicability of an administrative rule adopted by the
19 state board of education and requiring review of such
20 rule by the administrative rules review committee.>
21 5. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-5161 FILED APRIL 22, 2016

SENATE FILE 2326

S-5165

1 Amend Senate File 2326 as follows:
2 1. By striking page 1, line 15, through page 2,
3 line 14, and inserting:
4 <Sec. ____ . Section 34A.7A, subsection 2, Code 2016,
5 is amended by adding the following new paragraph:
6 NEW PARAGRAPH. 0g. After paying all obligations
7 under paragraph "f", the program manager shall, each
8 fiscal year, allocate an amount to the department of
9 public safety for the payment of costs, as described
10 in section 12.28, due under a financing agreement
11 entered into by the treasurer of state for building
12 the statewide interoperable communications system
13 pursuant to section 29C.23, subsection 2, until the
14 financing agreement is fully executed. This paragraph
15 is repealed upon the full execution of such financing
16 agreement. The treasurer of state shall notify the
17 Code editor of this occurrence.>
18 2. Page 2, line 17, after <before> by inserting <or
19 after>

By JEFF DANIELSON

S-5165 FILED APRIL 22, 2016

WITHDRAWN

HOUSE FILE 2458

S-5173

1 Amend House File 2458, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 3, after line 21 by inserting:

4 <Sec. ____ . CONSUMER EDUCATION AND LITIGATION –
5 FARM MEDIATION. Notwithstanding section 714.16C,
6 there is appropriated from the consumer education and
7 litigation fund to the department of justice for the
8 fiscal year beginning July 1, 2016, and ending June 30,
9 2017, the following amount, or so much thereof as is
10 necessary, to be used for the purposes designated:

11 For farm mediation services as specified in section
12 13.13, subsection 2:

13 \$ 300,000>

14 2. Page 8, by striking lines 31 through 33 and
15 inserting:

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

20 3. Page 9, by striking lines 3 through 6 and
21 inserting:

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

26 4. Page 9, by striking lines 20 through 22 and
27 inserting:

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

32 5. Page 9, by striking lines 27 through 29 and
33 inserting:

34 <It is the intent of the general assembly that the
35 sixth judicial district department of correctional

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1 services maintain the drug court operated by the
2 district department.>

3 6. By striking page 9, line 34, through page 10,
4 line 1, and inserting:

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

9 7. Page 18, line 16, by striking <9,528,227> and
10 inserting <9,472,060>

11 8. Page 22, after line 31 by inserting:

12 <Sec. ____ . HUMAN TRAFFICKING. Notwithstanding
13 section 8A.365, for the fiscal year beginning July
14 1, 2016, and ending June 30, 2017, the department of
15 public safety shall not be obligated to pay up to
16 \$200,000 of the depreciation expense otherwise required
17 by section 8A.365 in order to fund the staffing
18 of the office to combat human trafficking, and the
19 moneys generated from not paying the depreciation
20 expense shall be used to add 2.00 full-time equivalent
21 positions to staff the office to combat human
22 trafficking established in section 80.45 as enacted by
23 2016 Iowa Acts, [Senate File 2191](#).

24 Sec. ____ . SPECIAL AGENTS.

25 1. Notwithstanding section 99F.10, subsection 4,
26 one special agent, previously designated a gaming
27 enforcement officer, shall not be terminated, except
28 for cause, at a facility licensed under chapter 99F
29 located in a county with a population of between
30 21,100 and 22,000 as determined by the 2010 federal
31 decennial census. The special agent shall remain
32 employed at such facility as a special agent in the
33 same job classification until the special agent leaves
34 that special agent position, retires, or otherwise
35 leaves employment. After the special agent leaves that

1 special agent position, retires, or otherwise leaves
2 employment, the special agent full-time equivalent
3 position shall be eliminated and shall not be filled.

4 2. Notwithstanding section 99F.10, subsection 4,
5 and for purposes of determining the amount of license
6 fees and regulatory fees charged pursuant to section
7 99F.10, subsection 4, the state racing and gaming
8 commission shall include the cost of the salary of a
9 special agent who qualifies under subsection 1 plus any
10 direct and indirect support costs of such an agent,
11 until the special agent leaves that special agent
12 position, retires, or otherwise leaves employment.>

By THOMAS G. COURTNEY

S-5173 FILED APRIL 22, 2016

ADOPTED

HOUSE FILE 2459

S-5159

1 Amend the amendment, S-5157, to House File 2459,
2 as amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 20, after line 34 by inserting:

5 <DIVISION ____
6 SALES AND USE TAXES AND THE NATURAL RESOURCES AND
7 OUTDOOR RECREATION TRUST FUND

8 Sec. ____ . Section 423.2, subsection 1, unnumbered
9 paragraph 1, Code 2016, is amended to read as follows:

10 There is imposed a tax ~~of six percent~~ at the rate
11 specified in subsection 14 upon the sales price of
12 all sales of tangible personal property, consisting
13 of goods, wares, or merchandise, sold at retail in
14 the state to consumers or users except as otherwise
15 provided in this subchapter.

16 Sec. ____ . Section 423.2, subsections 2 and 3, Code
17 2016, are amended to read as follows:

18 2. A tax ~~of six percent~~ at the rate specified in
19 subsection 14 is imposed upon the sales price of the
20 sale or furnishing of gas, electricity, water, heat,
21 pay television service, and communication service,
22 including the sales price from such sales by any
23 municipal corporation or joint water utility furnishing
24 gas, electricity, water, heat, pay television service,
25 and communication service to the public in its
26 proprietary capacity, except as otherwise provided in
27 this subchapter, when sold at retail in the state to
28 consumers or users.

29 3. A tax ~~of six percent~~ at the rate specified
30 in subsection 14 is imposed upon the sales price
31 of all sales of tickets or admissions to places of
32 amusement, fairs, and athletic events except those of
33 elementary and secondary educational institutions. A
34 tax ~~of six percent~~ at the rate specified in subsection
35 14 is imposed on the sales price of an entry fee

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1 or like charge imposed solely for the privilege of
2 participating in an activity at a place of amusement,
3 fair, or athletic event unless the sales price of
4 tickets or admissions charges for observing the same
5 activity are taxable under this subchapter. A tax of
6 ~~six percent~~ at the rate specified in subsection 14 is
7 imposed upon that part of private club membership fees
8 or charges paid for the privilege of participating in
9 any athletic sports provided club members.

10 Sec. _____. Section 423.2, subsection 4, paragraph a,
11 Code 2016, is amended to read as follows:

12 a. A tax of ~~six percent~~ at the rate specified in
13 subsection 14 is imposed upon the sales price derived
14 from the operation of all forms of amusement devices
15 and games of skill, games of chance, raffles, and
16 bingo games as defined in chapter 99B, and card game
17 tournaments conducted under section 99B.7B, that are
18 operated or conducted within the state, the tax to
19 be collected from the operator in the same manner as
20 for the collection of taxes upon the sales price of
21 tickets or admission as provided in this section.
22 Nothing in this subsection shall legalize any games of
23 skill or chance or slot-operated devices which are now
24 prohibited by law.

25 Sec. _____. Section 423.2, subsection 5, Code 2016,
26 is amended to read as follows:

27 5. There is imposed a tax of ~~six percent~~ at the
28 rate specified in subsection 14 upon the sales price
29 from the furnishing of services as defined in section
30 423.1.

31 Sec. _____. Section 423.2, subsection 7, paragraph a,
32 unnumbered paragraph 1, Code 2016, is amended to read
33 as follows:

34 A tax of ~~six percent~~ at the rate specified in
35 subsection 14 is imposed upon the sales price from the

1 sales, furnishing, or service of solid waste collection
2 and disposal service.

3 Sec. _____. Section 423.2, subsection 8, paragraph a,
4 Code 2016, is amended to read as follows:

5 a. A tax of ~~six percent~~ at the rate specified in
6 subsection 14 is imposed on the sales price from sales
7 of bundled transactions. For the purposes of this
8 subsection, a "bundled transaction" is the retail sale
9 of two or more distinct and identifiable products,
10 except real property and services to real property,
11 which are sold for one nonitemized price. A "bundled
12 transaction" does not include the sale of any products
13 in which the sales price varies, or is negotiable,
14 based on the selection by the purchaser of the products
15 included in the transaction.

16 Sec. _____. Section 423.2, subsection 9, Code 2016,
17 is amended to read as follows:

18 9. A tax of ~~six percent~~ at the rate specified in
19 subsection 14 is imposed upon the sales price from
20 any mobile telecommunications service, including
21 all paging services, that this state is allowed to
22 tax pursuant to the provisions of the federal Mobile
23 Telecommunications Sourcing Act, Pub. L. No. 106-252,
24 4 U.S.C. §116 et seq. For purposes of this subsection,
25 taxes on mobile telecommunications service, as defined
26 under the federal Mobile Telecommunications Sourcing
27 Act that are deemed to be provided by the customer's
28 home service provider, shall be paid to the taxing
29 jurisdiction whose territorial limits encompass the
30 customer's place of primary use, regardless of where
31 the mobile telecommunications service originates,
32 terminates, or passes through and shall in all other
33 respects be taxed in conformity with the federal Mobile
34 Telecommunications Sourcing Act. All other provisions
35 of the federal Mobile Telecommunications Sourcing Act

1 are adopted by the state of Iowa and incorporated into
2 this subsection by reference. With respect to mobile
3 telecommunications service under the federal Mobile
4 Telecommunications Sourcing Act, the director shall, if
5 requested, enter into agreements consistent with the
6 provisions of the federal Act.

7 Sec. _____. Section 423.2, subsection 11, paragraph
8 b, subparagraph (2), Code 2016, is amended to read as
9 follows:

10 (2) Transfer from the remaining revenues the
11 amounts required under Article VII, section 10, of
12 the Constitution of the State of Iowa to the natural
13 resources and outdoor recreation trust fund created in
14 section 461.31, ~~if applicable.~~

15 Sec. _____. Section 423.2, subsection 14, Code 2016,
16 is amended by striking the subsection and inserting in
17 lieu thereof the following:

18 14. a. For the period beginning July 1, 2017, and
19 ending June 30, 2018, the sales tax rate is six and
20 one-eighth percent.

21 b. For the period beginning July 1, 2018, and
22 ending June 30, 2019, the sales tax rate is six and
23 two-eighths percent.

24 c. For the period beginning July 1, 2019, and
25 ending December 31, 2029, the sales tax rate is six and
26 three-eighths percent.

27 d. Beginning January 1, 2030, the sales tax rate is
28 five and three-eighths percent.

29 Sec. _____. Section 423.5, subsection 1, unnumbered
30 paragraph 1, Code 2016, is amended to read as follows:

31 Except as provided in paragraph "c", an excise tax
32 at the rate of ~~six percent~~ specified in subsection 5
33 of the purchase price or installed purchase price is
34 imposed on the following:

35 Sec. _____. Section 423.5, subsection 5, Code 2016,

1 is amended by striking the subsection and inserting in
2 lieu thereof the following:

3 5. a. For the period beginning July 1, 2017, and
4 ending June 30, 2018, the use tax rate is six and
5 one-eighth percent.

6 b. For the period beginning July 1, 2018, and
7 ending June 30, 2019, the use tax rate is six and
8 two-eighths percent.

9 c. For the period beginning July 1, 2019, and
10 ending December 31, 2029, the use tax rate is six and
11 three-eighths percent.

12 d. Beginning January 1, 2030, the use tax rate is
13 five and three-eighths percent.

14 Sec. _____. Section 423.43, subsection 1, paragraph
15 b, Code 2016, is amended to read as follows:

16 b. Subsequent to the deposit into the general fund
17 of the state ~~and after the transfer of such~~ pursuant to
18 paragraph "a", the department shall do the following in
19 the order prescribed:

20 (1) Transfer the revenues collected under chapter
21 423B, the department shall transfer one sixth.

22 (2) (a) Transfer the applicable percentage
23 as specified in subparagraph division (b) of such
24 remaining revenues to the secure an advanced vision for
25 education fund created in section 423F.2.

26 (b) (i) For the period beginning July 1, 2017,
27 and ending June 30, 2018, the applicable percentage
28 is sixteen and three thousand two hundred sixty-five
29 ten-thousandths percent.

30 (ii) For the period beginning July 1, 2018, and
31 ending June 30, 2019, the applicable percentage is
32 sixteen percent.

33 (iii) For the period beginning July 1, 2019, and
34 ending December 31, 2029, the applicable percentage
35 is fifteen and six thousand eight hundred sixty-three

1 ten-thousandths percent.

2 (c) This paragraph subparagraph (2) is repealed
3 December 31, 2029.

4 Sec. ____ . PURPOSE. The purpose of this division
5 of this Act is to provide for the implementation of
6 Article VII, section 10, of the Constitution of the
7 State of Iowa by fully funding the natural resources
8 and outdoor recreation trust fund as created in section
9 461.31, pursuant to Article VII, section 10, of the
10 Constitution of the State of Iowa.

11 Sec. ____ . EFFECTIVE DATE. This division of this
12 Act takes effect July 1, 2017.

13 DIVISION ____
14 INCOME TAXES

15 Sec. ____ . Section 422.5, subsection 1, Code 2016,
16 is amended by adding the following new paragraph:

17 NEW PARAGRAPH. 0j. (1) For each tax year
18 beginning in the period beginning January 1, 2018, and
19 ending December 31, 2029, the department of revenue
20 shall determine the amount of sales and use tax
21 revenues generated for the fiscal year ending June 30
22 during the applicable tax year from the increases in
23 the sales and use tax rates enacted in this Act, and
24 shall certify such amount to the governor and general
25 assembly.

26 (2) For each tax year beginning in the period
27 beginning January 1, 2018, and ending December 31,
28 2029, the rates of tax in paragraphs "a" through "i"
29 shall be reduced as provided in subparagraph (3) by an
30 amount that will in the aggregate reduce the individual
31 income tax revenues for the applicable tax year by the
32 dollar amount certified by the department of revenue
33 pursuant to subparagraph (1) for the relevant fiscal
34 year ending June 30 during the applicable tax year.

35 (3) (a) The rate reduction for a tax year shall be

1 accomplished by applying the applicable dollar amount
2 to a reduction in the rate imposed in paragraph "a",
3 but not below zero.

4 (b) If such rate reduction in subparagraph division
5 (a) does not accomplish the full rate decrease required
6 by subparagraph (2), the remaining applicable dollar
7 amount shall be applied to a reduction in the rate
8 imposed in paragraph "b", but not below zero.

9 (c) If such rate reduction in subparagraph
10 divisions (a) and (b) do not accomplish the full rate
11 decrease required by subparagraph (2), the remaining
12 applicable dollar amount shall be applied to a
13 reduction in the rate imposed in paragraph "c", but not
14 below zero.

15 (d) If such rate reduction in subparagraph
16 divisions (a) through (c) do not accomplish the
17 full rate decrease required by subparagraph (2), the
18 remaining applicable dollar amount shall be applied to
19 a reduction in the rate imposed in paragraph "d", but
20 not below zero.

21 (e) If such rate reduction in subparagraph
22 divisions (a) through (d) do not accomplish the
23 full rate decrease required by subparagraph (2), the
24 remaining applicable dollar amount shall be applied to
25 a reduction in the rate imposed in paragraph "e", but
26 not below zero.

27 (f) If such rate reduction in subparagraph
28 divisions (a) through (e) do not accomplish the
29 full rate decrease required by subparagraph (2), the
30 remaining applicable dollar amount shall be applied to
31 a reduction in the rate imposed in paragraph "f", but
32 not below zero.

33 (g) If such rate reduction in subparagraph
34 divisions (a) through (f) do not accomplish the
35 full rate decrease required by subparagraph (2), the

1 remaining applicable dollar amount shall be applied to
2 a reduction in the rate imposed in paragraph "g", but
3 not below zero.

4 (h) If such rate reduction in subparagraph
5 divisions (a) through (g) do not accomplish the
6 full rate decrease required by subparagraph (2), the
7 remaining applicable dollar amount shall be applied to
8 a reduction in the rate imposed in paragraph "h", but
9 not below zero.

10 (i) If such rate reduction in subparagraph
11 divisions (a) through (h) do not accomplish the
12 full rate decrease required by subparagraph (2), the
13 remaining applicable dollar amount shall be applied to
14 a reduction in the rate imposed in paragraph "i", but
15 not below zero.

16 (4) The rates of tax for paragraphs "a" through
17 "i", as determined under this paragraph for tax years
18 beginning on or after January 1, 2018, but before
19 January 1, 2029, shall only apply to the tax year
20 for which they are calculated. The rates of tax for
21 paragraphs "a" through "i", as determined under this
22 paragraph for the tax year beginning January 1, 2029,
23 shall apply to all tax years beginning on or after
24 January 1, 2029.

25 Sec. _____. Section 422.5, subsection 1, paragraph j,
26 Code 2016, is amended to read as follows:

27 j. (1) The tax imposed upon the taxable income
28 of a nonresident shall be computed by reducing the
29 amount determined pursuant to paragraphs "a" through
30 ~~"i"~~ "0j" by the amounts of nonrefundable credits under
31 this division and by multiplying this resulting amount
32 by a fraction of which the nonresident's net income
33 allocated to Iowa, as determined in section 422.8,
34 subsection 2, paragraph "a", is the numerator and the
35 nonresident's total net income computed under section

1 422.7 is the denominator. This provision also applies
2 to individuals who are residents of Iowa for less than
3 the entire tax year.

4 (2) (a) The tax imposed upon the taxable income
5 of a resident shareholder in an S corporation or of
6 an estate or trust with a situs in Iowa that is a
7 shareholder in an S corporation, which S corporation
8 has in effect for the tax year an election under
9 subchapter S of the Internal Revenue Code and carries
10 on business within and without the state, may be
11 computed by reducing the amount determined pursuant
12 to paragraphs "a" through "i" "0j" by the amounts
13 of nonrefundable credits under this division and by
14 multiplying this resulting amount by a fraction of
15 which the resident's or estate's or trust's net income
16 allocated to Iowa, as determined in section 422.8,
17 subsection 2, paragraph "b", is the numerator and the
18 resident's or estate's or trust's total net income
19 computed under section 422.7 is the denominator. If
20 a resident shareholder, or an estate or trust with
21 a situs in Iowa that is a shareholder, has elected
22 to take advantage of this subparagraph (2), and for
23 the next tax year elects not to take advantage of
24 this` subparagraph, the resident or estate or trust
25 shareholder shall not reelect to take advantage of
26 this subparagraph for the three tax years immediately
27 following the first tax year for which the shareholder
28 elected not to take advantage of this subparagraph,
29 unless the director consents to the reelection. This
30 subparagraph also applies to individuals who are
31 residents of Iowa for less than the entire tax year.

32 (b) This subparagraph (2) shall not affect the
33 amount of the taxpayer's checkoffs under this division,
34 the credits from tax provided under this division, and
35 the allocation of these credits between spouses if

1 the taxpayers filed separate returns or separately on
2 combined returns.

3 Sec. _____. EFFECTIVE DATE. This division of this
4 Act takes effect January 1, 2018.

5 Sec. _____. APPLICABILITY. This division of this
6 Act applies to tax years beginning on or after January
7 1, 2018.

8 DIVISION _____

9 WATER QUALITY AND WATER QUALITY EXCISE TAX

10 Sec. _____. Section 16.134, Code 2016, is amended to
11 read as follows:

12 16.134 Wastewater and drinking water treatment
13 financial assistance program.

14 1. The Iowa finance authority shall establish and
15 administer a wastewater and drinking water treatment
16 financial assistance program. The purpose of the
17 program shall be to provide financial assistance
18 to enhance water quality. The program shall be
19 administered in accordance with rules adopted by
20 the authority pursuant to chapter 17A. For purposes
21 of this section, "program" means the wastewater and
22 drinking water treatment financial assistance program
23 and "committee" means the water quality financing
24 review committee created in subsection 9.

25 2. A wastewater and drinking water treatment
26 financial assistance fund is created and shall consist
27 of appropriations made to the fund and transfers
28 of interest, earnings, and moneys from other funds
29 as provided by law. Moneys transferred to the fund
30 pursuant to section 423G.6 are appropriated to the
31 authority for purposes of the program. Moneys in the
32 fund are not subject to section 8.33. Notwithstanding
33 section 12C.7, subsection 2, interest or earnings on
34 moneys in the fund shall be credited to the fund.

35 3. Financial assistance under the program shall

1 be used to install or upgrade wastewater treatment
2 facilities and systems and drinking water treatment
3 facilities and systems, including source water
4 protection projects, and for engineering or technical
5 assistance for facility planning and design.

6 4. The authority committee shall ~~distribute~~ approve
7 financial assistance ~~in~~ from the fund in accordance
8 with the following:

9 a. ~~The goal of the program shall be to base awards~~
10 ~~on the impact of the grant combined with other sources~~
11 ~~of financing to ensure that sewer rates do not exceed~~
12 ~~one and one half percent of a community's median~~
13 ~~household income.~~

14 b. a. ~~Communities shall be eligible for financial~~
15 ~~assistance by qualifying as~~ Priority shall be given
16 for projects in which a disadvantaged community ~~and~~
17 is seeking financial assistance for the installation
18 or upgrade of wastewater treatment facilities due
19 to regulatory activity by the department of natural
20 resources and drinking water treatment facilities.
21 For purposes of this section, the term "disadvantaged
22 community" means the same as defined by the department.

23 e. b. ~~Priority shall be given to projects in which~~
24 the meeting criteria established in section 455B.199B
25 in which the applicant seeks financial assistance is
26 to be used to obtain with financing under the water
27 pollution control works and drinking water facilities
28 financing program pursuant to section 16.131 or other
29 federal, ~~or~~ state, or private financing.

30 d. c. ~~Priority shall also be given to projects~~
31 whose completion will provide significant improvement
32 to water quality in the relevant watershed.

33 e. d. ~~Priority shall also be given to communities~~
34 that employ an alternative wastewater treatment
35 technology pursuant to section 455B.199C.

1 ~~f.~~ e. Priority shall ~~be~~ also be given to those
2 communities where sewer or water rates are the highest
3 as a percentage of that community's median household
4 income.

5 ~~g.~~ f. Financial assistance in the form of grants
6 shall be issued on an annual basis.

7 ~~h.~~ g. An applicant shall not receive a grant that
8 exceeds five hundred thousand dollars.

9 h. Priority shall also be given to communities that
10 employ technology to address the latest version of the
11 "Iowa Nutrient Reduction Strategy" initially presented
12 in November 2012 by the department of agriculture and
13 land stewardship, the department of natural resources,
14 and Iowa state university of science and technology.

15 4A. A utility management organization formed
16 under chapter 28E or operated by a rural water system
17 organized under chapter 357A or chapter 504 shall be
18 considered eligible for financial assistance under the
19 program.

20 5. The authority in cooperation with the department
21 of natural resources shall ~~share~~ provide information
22 and resources to the committee when the committee is
23 determining the qualifications of a community for
24 financial assistance from the fund.

25 6. The authority shall enter into agreements with
26 financial assistance recipients and distribute moneys
27 under the program pursuant to financial assistance
28 determinations made by the committee. The authority
29 may use an amount of not more than ~~four~~ one percent of
30 any moneys appropriated for deposit in the fund for
31 administration purposes.

32 7. By October 1 of each year, the authority shall
33 submit a report to the governor and the general
34 assembly itemizing expenditures under the program
35 during the previous fiscal year.

1 8. a. Beginning September 1, 2026, and every
2 ten years thereafter, a program review committee is
3 established for purposes of reviewing the wastewater
4 and drinking water treatment financial assistance
5 program. By December 1 of the same year, the review
6 committee shall file a report with the governor and the
7 general assembly that reviews the effectiveness of the
8 program during the prior ten fiscal years.

9 b. The program review committee shall consist of
10 the following members:

11 (1) The governor or the governor's designee.

12 (2) The secretary of agriculture or the secretary's
13 designee.

14 (3) The executive director of the authority or the
15 executive director's designee.

16 (4) The director of the department of natural
17 resources or the director's designee.

18 (5) Four members of the general assembly, with
19 two from the senate and two from the house of
20 representatives and not more than one member from each
21 chamber being from the same political party. The two
22 senators shall be designated one member each by the
23 president of the senate, after consultation with the
24 majority leader of the senate, and by the minority
25 leader of the senate. The two representatives shall
26 be designated one member each by the speaker of the
27 house of representatives, after consultation with the
28 majority leader of the house of representatives, and by
29 the minority leader of the house of representatives.

30 c. Staffing services shall be provided by the
31 authority.

32 9. a. A water quality financing review committee
33 is created consisting of the secretary of agriculture
34 or the secretary's designee, the executive director of
35 the authority or the executive director's designee, and

1 the director of the department of natural resources or
2 the director's designee.

3 b. The committee shall review and approve or
4 deny applications for financial assistance under the
5 wastewater and drinking water treatment financial
6 assistance program established in this section.

7 Sec. _____. Section 423.3, Code 2016, is amended by
8 adding the following new subsection:

9 NEW SUBSECTION. 103. a. The sales price from
10 the sale or furnishing by a water utility of a water
11 service in the state to consumers or users.

12 b. For purposes of this subsection:

13 (1) "Water service" means the delivery of water by
14 piped distribution system.

15 (2) "Water utility" means a public utility as
16 defined in section 476.1 that furnishes water by piped
17 distribution system to the public for compensation.

18 Sec. _____. NEW SECTION. 423G.1 Short title.

19 This chapter may be cited as the "Water Service Tax
20 Act".

21 Sec. _____. NEW SECTION. 423G.2 Definitions.

22 1. All words and phrases used in this chapter and
23 defined in section 423.1 have the same meaning given
24 them by section 423.1 for purposes of this chapter.

25 2. As used in this chapter, "water service" and
26 "water utility" mean the same as defined in section
27 423.3, subsection 103.

28 Sec. _____. NEW SECTION. 423G.3 Water service tax.

29 An excise tax at the rate of six percent is imposed
30 on the sales price from the sale or furnishing by
31 a water utility of a water service in the state to
32 consumers or users.

33 Sec. _____. NEW SECTION. 423G.4 Exemptions.

34 The sales price from transactions exempt from state
35 sales tax under section 423.3, except section 423.3,

1 subsection 103, is also exempt from the tax imposed by
2 this chapter.

3 Sec. ____ . NEW SECTION. 423G.5 Administration by
4 director.

5 1. The director of revenue shall administer the
6 water service tax as nearly as possible in conjunction
7 with the administration of the state sales and use tax
8 law, except that portion of the law that implements the
9 streamlined sales and use tax agreement. The director
10 shall provide appropriate forms, or provide on the
11 regular state tax forms, for reporting water service
12 tax liability.

13 2. The director may require all persons who are
14 engaged in the business of deriving any sales price or
15 purchase price subject to tax under this chapter to
16 register with the department. The director may also
17 require a tax permit applicable only to this chapter
18 for any retailer not collecting, or any user not
19 paying, taxes under chapter 423.

20 3. Section 422.25, subsection 4, sections 422.30,
21 422.67, and 422.68, section 422.69, subsection 1,
22 sections 422.70, 422.71, 422.72, 422.74, and 422.75,
23 section 423.14, subsection 1, and sections 423.23,
24 423.24, 423.25, 423.31 through 423.35, 423.37 through
25 423.42, and 423.47, consistent with the provisions
26 of this chapter, shall apply with respect to the tax
27 authorized under this chapter, in the same manner and
28 with the same effect as if the excise taxes on the
29 sale or furnishing of a water service were retail
30 sales taxes within the meaning of those statutes.
31 Notwithstanding this subsection, the director shall
32 provide for quarterly filing of returns and for other
33 than quarterly filing of returns both as prescribed in
34 section 423.31. All taxes collected under this chapter
35 by a retailer or any user are deemed to be held in

1 trust for the state of Iowa.

2 Sec. _____. NEW SECTION. 423G.6 Deposit of revenues.

3 1. All moneys received and all refunds shall be
4 deposited in or withdrawn from the general fund of the
5 state.

6 2. Subsequent to the deposit in the general fund
7 of the state, the department shall first transfer
8 one-sixth of the revenues collected under 423G.3 to
9 the secure an advanced vision fund created in section
10 423F.2, and then from the remaining revenues shall
11 transfer the following amounts to the wastewater and
12 drinking water financial assistance fund created in
13 section 16.134:

14 a. For revenues collected on or after July 1, 2017,
15 but before August 1, 2018, one-sixth of the revenues.

16 b. For revenues collected on or after August 1,
17 2018, but before August 1, 2019, one-third of the
18 revenues.

19 c. For revenues collected on or after August 1,
20 2019, but before August 1, 2020, one-half of the
21 revenues.

22 d. For revenues collected on or after August 1,
23 2020, but before August 1, 2021, two-thirds of the
24 revenues.

25 e. For revenues collected on or after August 1,
26 2021, but before August 1, 2022, five-sixths of the
27 revenues.

28 f. For revenues collected on or after August 1,
29 2022, one hundred percent of the revenues.

30 Sec. _____. NEW SECTION. 423G.7 Future repeal.

31 This chapter is repealed July 1, 2029.

32 Sec. _____. EFFECTIVE DATE. This division of this
33 Act takes effect July 1, 2017.

34 DIVISION ____

35 NATURAL RESOURCES AND OUTDOOR RECREATION

1 Sec. _____. Section 461.2, Code 2016, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 3A. "Iowa nutrient reduction
4 strategy" means the latest version of the "Iowa
5 Nutrient Reduction Strategy" initially presented in
6 November 2012 by the department of agriculture and land
7 stewardship, the department of natural resources, and
8 Iowa state university of science and technology.

9 Sec. _____. Section 461.11, Code 2016, is amended by
10 adding the following new subsections:

11 NEW SUBSECTION. 3. When collaborating in making
12 funding decisions for a subsequent fiscal year, the
13 heads of the departments receiving trust fund moneys
14 shall give a preference to supporting those initiatives
15 which are research-based water quality initiatives
16 that at least meet the state water quality objective
17 provided in section 461.31, subsection 1A.

18 NEW SUBSECTION. 4. When collaborating in making
19 funding decisions for a subsequent fiscal year, the
20 heads of the departments receiving trust fund moneys
21 shall determine the amount of trust fund moneys
22 required to be expended to support research-based water
23 quality initiatives in order to at least meet the state
24 water quality objective provided in section 461.31,
25 subsection 1A.

26 Sec. _____. Section 461.21, Code 2016, is amended by
27 adding the following new subsection:

28 NEW SUBSECTION. 1A. The auditor of state shall
29 notify the heads of the departments receiving trust
30 fund moneys whether the amount of trust fund moneys
31 expended to support research-based water quality
32 initiatives under this chapter for the fiscal year
33 subject to the audit has at least met the state
34 water quality objective provided in section 461.31,
35 subsection 1A. If the amount of trust fund moneys

1 expended to support research-based water quality
2 initiatives does not at least meet that state water
3 quality objective, the auditor of state shall notify
4 the heads of the departments of the percentage
5 shortfall.

6 Sec. _____. Section 461.22, Code 2016, is amended by
7 adding the following new subsection:

8 NEW SUBSECTION. 1A. The expenditures used to
9 support initiatives which are research-based water
10 quality initiatives that at least meet the state
11 water quality objective provided in section 461.31,
12 subsection 1A.

13 Sec. _____. Section 461.31, subsection 2, paragraph
14 d, Code 2016, is amended to read as follows:

15 d. Trust fund moneys shall only be used to
16 support voluntary initiatives and shall not be used
17 for regulatory efforts, enforcement actions, or
18 litigation. Trust fund moneys shall not be used as
19 part of an activity which involves condemning property
20 or otherwise exercising the power of eminent domain.

21 Sec. _____. Section 461.31, Code 2016, is amended by
22 adding the following new subsection:

23 NEW SUBSECTION. 1A. a. For each fiscal year, at
24 least sixty percent of the trust fund moneys credited
25 to the trust fund shall be exclusively expended to
26 support research-based water quality initiatives
27 under this chapter. A research-based water quality
28 initiative, includes but is not limited to a practice
29 described in the Iowa nutrient reduction strategy. In
30 addition, a research-based water quality initiative
31 must satisfy all the following:

32 (1) Have a life expectancy of more than twenty-four
33 months.

34 (2) Provide for multiple natural resource benefits.

35 b. If the auditor of state notifies the heads

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Page 19

1 of the departments receiving trust fund moneys of a
2 percentage shortfall as provided in section 461.21,
3 the percentage of trust fund moneys to support
4 research-based water quality initiatives shall be
5 adjusted for the fiscal year following the fiscal
6 year that the auditor provides the notification. The
7 amount of the adjustment shall be an amount necessary
8 to reach the sixty percent required to meet the water
9 quality objective as described in paragraph "a" plus a
10 percentage shortfall for each prior fiscal year that
11 has not been previously added to the sixty percent.

12 Sec. _____. Section 461.32, subsection 3, Code 2016,
13 is amended to read as follows:

14 3. The department of natural resources shall ~~to~~
15 ~~every extent possible~~ consider its comprehensive
16 plan provided in section 456A.31 when making funding
17 decisions.>

18 2. By renumbering, redesignating, and correcting
19 internal references as necessary.

By DAVID JOHNSON

S-5159 FILED APRIL 22, 2016

RULED OUT OF ORDER

HOUSE FILE 2459

S-5160

1 Amend the amendment, S-5157, to House File 2459,
2 as amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 20, after line 34 by inserting:

5 <____. Title page, line 4, after <date> by inserting
6 <and retroactive applicability>>

By ROBERT E. DVORSKY

S-5160 FILED APRIL 22, 2016

WITHDRAWN

HOUSE FILE 2459

S-5167

1 Amend the amendment, S-5157, to House File 2459,
2 as amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 20, after line 34 by inserting:

5 <DIVISION ____

6 AUTOMATED TRAFFIC LAW ENFORCEMENT SYSTEMS

7 Sec. ____ . Section 321.492B, Code 2016, is amended
8 to read as follows:

9 321.492B Use of ~~unmanned aerial vehicle~~ automated or
10 remote systems for traffic law enforcement prohibited.

11 The state or a political subdivision of the state
12 shall not use ~~an unmanned aerial vehicle~~ any automated
13 or remote system for traffic law enforcement including
14 but not limited to an unmanned aerial vehicle and any
15 device with one or more sensors working in conjunction
16 with a traffic-control signal or device, signal light,
17 speed measuring device, or parking meter device.

18 Sec. ____ . REMOVAL OF AUTOMATED OR REMOTE TRAFFIC
19 LAW ENFORCEMENT SYSTEMS – VALIDITY OF PRIOR NOTICES
20 AND CITATIONS. On or before July 1, 2016, a local
21 authority using an automated or remote traffic law
22 enforcement system shall discontinue using the system
23 and remove the system equipment. Effective July 1,
24 2016, all local ordinances authorizing the use of an
25 automated or remote traffic law enforcement system
26 are void. However, notices of violations mailed or
27 citations issued pursuant to such an ordinance prior to
28 July 1, 2016, shall not be invalidated by the enactment
29 of this Act and shall be processed according to the
30 provisions of the law under which they were authorized.

31 Sec. ____ . EFFECTIVE UPON ENACTMENT. The section
32 of this division of this Act relating to the removal
33 of automated or remote traffic law enforcement systems
34 and the validity of prior notices and citations, being
35 deemed of immediate importance, takes effect upon

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S-5167

Page 2

1 enactment.>

By BRAD ZAUN

DAVID JOHNSON
MARK SEGEBART
KEN ROZENBOOM
MARK CHELGREN
MICHAEL BREITBACH
JACK WHITVER
JERRY BEHN
AMY SINCLAIR
MARK COSTELLO

CHARLES SCHNEIDER
JULIAN GARRETT
JASON SCHULTZ
DENNIS GUTH
RANDY FEENSTRA
BILL ANDERSON
JAKE CHAPMAN
RICK BERTRAND
TOM SHIPLEY

S-5167 FILED APRIL 22, 2016

RULED OUT OF ORDER

HOUSE FILE 2459

S-5168

1 Amend the amendment, S-5157, to House File 2459,
2 as amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 8, after line 4 by inserting:

5 <Sec. ____ . NEW SECTION. 478.6A Merchant line
6 franchises – requirements – limitations.

7 1. a. For purposes of this section, "bifurcation"
8 means the conducting of two separate hearings when
9 a petition involves the taking of property under
10 eminent domain, one hearing considering whether the
11 proposed line is necessary to serve a public use and
12 represents a reasonable relationship to an overall plan
13 of transmitting electricity in the public interest, and
14 the other considering the granting of eminent domain
15 authority.

16 b. For purposes of this section, "merchant
17 line" means a high-voltage direct current electric
18 transmission line which does not provide for the
19 erection of electric substations at intervals of less
20 than fifty miles, which substations are necessary
21 to accommodate both the purchase and sale to persons
22 located in this state of electricity generated or
23 transmitted by the franchisee.

24 2. A petition for a franchise to construct a
25 merchant line, in addition to any other applicable
26 requirements pursuant to this chapter, shall be subject
27 to all of the following:

28 a. The board shall not permit the bifurcation in
29 any manner of a petition and shall reject any request
30 by a petitioner for bifurcation.

31 b. Notwithstanding section 478.10, the sale and
32 transfer of a merchant line, by voluntary or judicial
33 sale or otherwise, shall not carry with it the transfer
34 of the franchise.

35 c. Notwithstanding section 478.21, if a petition

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1 that involves the taking of property under eminent
2 domain is not approved by the board and a franchise
3 granted within three years following the date of
4 the first informational meeting held in any county
5 regarding the petition, pursuant to section 478.2, the
6 utilities board shall reject the petition and make a
7 record of the rejection. A petitioner may not file a
8 petition for the same or a similar project that has
9 been rejected under this subsection within sixty months
10 following the date of rejection.

11 d. The board shall not grant a petition that
12 involves the taking of property under eminent domain
13 unless a minimum of seventy-five percent of the
14 easements necessary to construct the project have been
15 obtained voluntarily.

16 e. In considering whether to grant a petition that
17 involves the taking of property under eminent domain,
18 section 478.3, subsection 3, is not applicable, and
19 the term "public" shall be interpreted to be limited to
20 consumers located in this state.>

21 2. Page 9, after line 10 by inserting:

22 <Sec. _____. EFFECTIVE UPON ENACTMENT. The following
23 provision of this division of this Act, being deemed of
24 immediate importance, takes effect upon enactment:

25 1. The section of this Act enacting section 478.6A.

26 Sec. _____. APPLICABILITY. The section of this
27 division of this Act enacting section 478.6A is
28 applicable to petitions for franchise filed on or after
29 November 1, 2014, that have not been approved by the
30 utilities board on or after the effective date of this
31 Act, and to petitions for franchise filed on or after
32 the effective date of this Act.>

33 3. Title page, line 4, after <date> by inserting
34 <and applicability>

35 4. By renumbering as necessary.

By RICK BERTRAND	JACK WHITVER
BILL ANDERSON	JASON SCHULTZ
JAKE CHAPMAN	AMY SINCLAIR
TIM KRAAYENBRINK	MARK COSTELLO
TIM L. KAPUCIAN	DENNIS GUTH
MARK SEGEBART	BRAD ZAUN
KEN ROZENBOOM	ROBY SMITH
MARK CHELGREN	TOM SHIPLEY
MICHAEL BREITBACH	CHARLES SCHNEIDER

HOUSE FILE 2459

S-5169

- 1 Amend the amendment, S-5157, to House File 2459,
2 as amended, passed, and reprinted by the House, as
3 follows:
4 1. Page 1, by striking lines 7 through 12.
5 2. Page 1, line 21, by striking <5,400,000> and
6 inserting <7,900,000>
7 3. By renumbering as necessary.

By JACK WHITVER
BRAD ZAUN
CHARLES SCHNEIDER

S-5169 FILED APRIL 22, 2016
LOST

HOUSE FILE 2459

S-5170

- 1 Amend the amendment, S-5157, to House File 2459,
2 as amended, passed, and reprinted by the House, as
3 follows:
4 1. Page 20, after line 34 by inserting:
5 <DIVISION ____
6 OPEN ENROLLMENT – EXTRACURRICULAR ACTIVITIES
7 Sec. _____. Section 282.18, subsection 7, Code 2016,
8 is amended to read as follows:
9 7. a. A pupil participating in open enrollment
10 shall be counted, for state school foundation aid
11 purposes, in the pupil's district of residence. A
12 pupil's residence, for purposes of this section, means
13 a residence under section 282.1.
14 b. (1) The board of directors of the district of
15 residence shall pay to the receiving district the state
16 cost per pupil for the previous school year, and the
17 teacher leadership supplement state cost per pupil for
18 the previous fiscal year as provided in section 257.9,
19 plus any moneys received for the pupil as a result of
20 the non-English speaking weighting under section 280.4,
21 subsection 3, for the previous school year multiplied
22 by the state cost per pupil for the previous year. If
23 the pupil participating in open enrollment is also an
24 eligible pupil under section 261E.6, the receiving
25 district shall pay the tuition reimbursement amount to
26 an eligible postsecondary institution as provided in
27 section 261E.7.
28 (2) If a pupil participates in an extracurricular
29 activity in accordance with subsection 11A, the
30 district of residence may deduct an activity fee from
31 the amount calculated in subparagraph (1). The amount
32 of an activity fee shall not exceed the lesser of the
33 actual cost of providing the activity to the pupil or
34 fifteen percent of the state cost per pupil for the
35 previous school year.

S-5170

1 Sec. _____. Section 282.18, Code 2016, is amended by
2 adding the following new subsection:
3 NEW SUBSECTION. 11A. A pupil participating in
4 open enrollment for purposes of receiving educational
5 instruction and course content primarily over
6 the internet in accordance with section 256.7,
7 subsection 32, paragraph "c", may participate in any
8 extracurricular activities offered to children in the
9 pupil's grade or group and sponsored by the district of
10 residence under the same conditions and requirements as
11 the pupils enrolled in the district of residence.>
12 2. By renumbering as necessary.

By MARK CHELGREN

S-5170 FILED APRIL 22, 2016
RULED OUT OF ORDER

HOUSE FILE 2459

S-5171

1 Amend the amendment, S-5157, to House File 2459,
2 as amended, passed, and reprinted by the House, as
3 follows:
4 1. Page 7, after line 29 by inserting:
5 <Sec. _____. Section 364.16, Code 2016, is amended to
6 read as follows:
7 364.16 Municipal fire protection.
8 Each city shall provide for the protection of
9 life and property against fire and may establish,
10 house, equip, staff, uniform, and maintain a fire
11 department. A city may establish fire limits and
12 may, consistent with code standards promulgated by
13 nationally recognized fire prevention agencies,
14 regulate the storage, handling, use, and transportation
15 of all flammables, combustibles, and explosives within
16 the corporate limits and inspect for and abate fire
17 hazards. A city may provide conditions upon which
18 the fire department will answer calls outside the
19 corporate limits or the territorial jurisdiction
20 and boundary limits of this state. A city may
21 require a public utility that supplies water to the
22 city or an entity with which the city contracts for
23 the provision of water to the city to install and
24 maintain an operational and centrally located fire
25 hydrant or an emergency water supply facility that is
26 available to emergency responders. A city has the same
27 governmental immunity outside its corporate limits when
28 providing fire protection as when operating within the
29 corporate limits. Fire fighters operating equipment
30 on calls outside the corporate limits are entitled
31 to the benefits of chapter 410 or 411 when otherwise
32 qualified.>
33 2. By renumbering as necessary.

By MARK CHELGREN

S-5171 FILED APRIL 22, 2016
RULED OUT OF ORDER

HOUSE FILE 2460

S-5164

1 Amend the amendment, S-5158, to House File 2460,
2 as amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 89, by striking lines 33 and 34 and
5 inserting <quarter, not to exceed six percent of the
6 ~~total annual revenue of the facility for the preceding~~
7 ~~fiscal year~~ actual paid claims for the previous
8 quarter.>

9 2. By renumbering as necessary.

By AMANDA RAGAN

S-5164 FILED APRIL 22, 2016

ADOPTED

HOUSE FILE 2460

S-5166

1 Amend the amendment, S-5158, to House File 2460,
2 as amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 113, after line 17 by inserting:
5 <Sec. ____ Section 514I.5, subsection 3, Code 2016,
6 is amended to read as follows:

7 3. Members appointed by the governor shall serve
8 two-year staggered terms as designated by the governor,
9 and legislative members of the board shall serve
10 two-year terms. The filling of positions reserved
11 for the public representatives, vacancies, membership
12 terms, payment of compensation and expenses, and
13 removal of the members are governed by chapter 69.
14 Additionally, a vacancy of a member appointed by the
15 governor or of a legislative member shall be filled as
16 expeditiously as possible, and no later than within six
17 months following a resignation, expiration of a term,
18 or a notice of a vacancy. Members of the board are
19 entitled to receive reimbursement of actual expenses
20 incurred in the discharge of their duties. Public
21 members of the board are also eligible to receive
22 compensation as provided in section 7E.6. A majority
23 of the voting members constitutes a quorum and the
24 affirmative vote of a majority of the voting members is
25 necessary for any substantive action to be taken by the
26 board. The members shall select a chairperson on an
27 annual basis from among the membership of the board.>

28 2. By renumbering as necessary.

By JANET PETERSEN

S-5166 FILED APRIL 22, 2016

ADOPTED

HOUSE FILE 2460

S-5172

1 Amend the amendment, S-5158, to House File 2460,
2 as amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 38, line 26, by striking <1,318,246,446>
5 and inserting <1,315,246,446>

6 2. By striking page 41, line 28, through page 42,
7 line 6, and inserting:

8 ~~<12. a. Of the funds appropriated in this section,~~
9 ~~\$2,041,939 is allocated for the state match for a~~
10 ~~disproportionate share hospital payment of \$4,544,712~~
11 ~~to~~ The hospitals that meet both of the conditions
12 specified in subparagraphs (1) and (2). ~~In addition,~~
13 ~~the hospitals that meet the conditions specified~~
14 shall either certify public expenditures or transfer
15 to the medical assistance program an amount equal to
16 provide the nonfederal share for a disproportionate
17 share hospital payment of ~~\$8,772,003~~ \$26,633,430.
18 The hospitals that meet the conditions specified
19 shall receive and retain 100 percent of the total
20 disproportionate share hospital payment of ~~\$13,316,715~~
21 \$26,633,430.>

22 3. Page 47, line 33, by striking <17,045,964> and
23 inserting <20,045,964>

24 4. Page 49, after line 32 by inserting:

25 < ____ . Of the funds appropriated in this section,
26 \$3,000,000 shall be used for the family planning
27 services program, including for implementation and
28 administration, if enacted in this 2016 Act.>

29 5. Page 93, after line 19 by inserting:

30 <DIVISION ____
31 STATE FAMILY PLANNING SERVICES PROGRAM
32 Sec. ____ . STATE FAMILY PLANNING SERVICES PROGRAM
33 - ESTABLISHMENT - DISCONTINUATION OF MEDICAID FAMILY
34 PLANNING NETWORK WAIVER.

35 1. The department of human services shall

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1 discontinue the Medicaid family planning network waiver
2 effective July 1, 2016, and shall instead establish
3 a state family planning services program. The state
4 program shall replicate the eligibility requirements
5 and other provisions included in the Medicaid family
6 planning network waiver as approved by the centers for
7 Medicare and Medicaid services of the United States
8 department of health and human services in effect on
9 June 30, 2016, but shall provide for distribution
10 of the family planning services program funds in
11 accordance with this section.

12 2. Distribution of family planning services program
13 funds shall be made to eligible applicants in the
14 following order of priority:

15 a. Public entities that provide family planning
16 services including state, county, or local community
17 health clinics and federally qualified health centers.

18 b. Nonpublic entities that, in addition to family
19 planning services, provide required primary health
20 services as described in 42 U.S.C. §254b(b)(1)(A).

21 c. Nonpublic entities that provide family planning
22 services but do not provide required primary health
23 services as described in 42 U.S.C. §254b(b)(1)(A).

24 3. Distribution of family planning services program
25 funds under this section shall be made in a manner that
26 continues access to family planning services.

27 4. Distribution of family planning services program
28 funds shall not be made to any entity that performs
29 abortions or that maintains or operates a facility
30 where abortions are performed. For the purposes of
31 this section, "abortion" does not include any of the
32 following:

33 a. The treatment of a woman for a physical
34 disorder, physical injury, or physical illness,
35 including a life-endangering physical condition caused

1 by or arising from the pregnancy itself, that would,
2 as certified by a physician, place the woman in danger
3 of death.

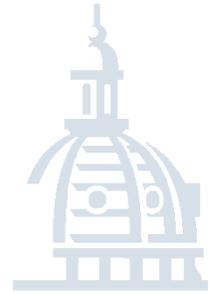
4 b. The treatment of a woman for a spontaneous
5 abortion, commonly known as a miscarriage, when not all
6 of the products of human conception are expelled.

7 5. Family planning services program funds
8 distributed in accordance with this section shall
9 not be used for direct or indirect costs, including
10 but not limited to administrative costs or expenses,
11 overhead, employee salaries, rent, and telephone and
12 other utility costs, related to providing abortions as
13 specified in subsection 4.

14 6. The department of human services shall submit
15 a report to the governor and the general assembly,
16 annually by January 1, listing any entities that
17 received funds pursuant to subsection 2, paragraph
18 "c", and the amount and type of funds received by such
19 entities during the preceding calendar year. The
20 report shall provide a detailed explanation of how
21 the department determined that distribution of family
22 planning services program funds to such an entity,
23 instead of to an entity described in subsection 2,
24 paragraph "a" or "b", was necessary to prevent severe
25 limitation or elimination of access to family planning
26 services in the region of the state where the entity
27 is located.>

28 6. By renumbering as necessary.

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SF 2326 – E911 Funding (LSB6084SV)
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Fiscal Note Version – New

Description

Senate File 2326, allocates \$4.4 million for the FY 2017 lease-purchase payment for the Statewide Interoperable Communications System. The bill also authorizes the Treasurer of State to enter into a financing agreement for the purpose of building the statewide System.

Background

Work on the Statewide Interoperable Communications System began in FY 2016. Iowa Code section **34A.7A** provides that a \$1.00 monthly surcharge be imposed on all communications service providers in the state, and that it be deposited in the E911 Surcharge Fund. A \$4.0 million allocation was provided from the E911 Surcharge Fund in **HF 651** (E911 Act) enacted in 2015 for the first lease-purchase payment. In September 2015, the Treasurer of State refused to approve the plan and stated that it added \$9.0 million of excessive interest. The first lease-purchase payment to Motorola of \$4.0 million was made in February 2016. The Treasurer stated legislative authorization was necessary to negotiate a different lease-purchase payment plan.

No long-term funding stream has been identified for the System. This bill allocates the second year lease-purchase payment from the E911 Surcharge Fund, and places it in the priority order of disbursements made from the Fund as follows:

1. Allocation of \$250,000 to the Department of Homeland Security and Emergency Management for administration of the E911 Surcharge Fund.
2. Allocation of 60.0% to the individual Public Safety Answering Points (PSAPs) based on a formula (this percentage amount is contingent on the enactment of **HF 2439** (E911 Surcharge Fund)).
3. Allocation of 10.0% of the surcharge revenue to wireless carriers to recover costs.
4. Reimbursement of communications service providers for eligible transport costs.
5. Wire-line carriers and third-party E911 automatic location information costs.
6. Allocation of 12.5% (\$3.5 million) for a reserve in case of a catastrophic event.
7. One-time payment of \$4.4 million for the Statewide Interoperable Communications System.
8. Remaining funds will be expended as follows:
 - a. Grants for consolidation of PSAPs.
 - b. Up to \$100,000 for development of public awareness and educational programs.
 - c. Any remaining funds distributed equally in grant format to the PSAPs.

House File 2439 passed both the House and Senate and is awaiting second action in the House. The bill changes the formula allocation of the E911 surcharge fund to the local PSAPs from 46.0% to 60.0%, limits consolidation and other grants to the PSAPs to \$4.4 million for FY 2017, and maintains a \$3.5 million reserve in case of a catastrophic event.

Assumptions

- Revenues will continue to be generated as they have in past years at an estimated \$28.1 million annually.

- Beginning in FY 2017, annual projected expenses (other than direct payments to the PSAPs) are estimated at \$6.7 million.

Fiscal Impact

There is no impact to the General Fund as all revenues are from the E911 Surcharge Fund. The following table summarizes the revenues and expenses projected under this bill and [HF 2349](#).

E911 Emergency Communications Fund – as impacted by [HF 2349](#) and [SF 2326](#)

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Projected Revenue	\$ 28,075,000	\$ 28,075,000	\$ 28,075,000	\$ 28,075,000	\$ 28,075,000
Carryover Fund Brought Forward	19,798,811	8,734,811	4,562,068	3,500,000	3,500,000
Total Revenue	<u>\$ 47,873,811</u>	<u>\$ 36,809,811</u>	<u>\$ 32,637,068</u>	<u>\$ 31,575,000</u>	<u>\$ 31,575,000</u>
Projected Expenses	\$ 13,149,000	\$ 6,664,000	\$ 6,664,000	\$ 6,664,000	\$ 6,664,000
Lease/Purchase Payment	0	4,383,000	0	0	0
PSAP 60% Pass Through	12,880,000	16,800,000	16,800,000	16,800,000	16,800,000
Total Expenses	<u>\$ 26,029,000</u>	<u>\$ 27,847,000</u>	<u>\$ 23,464,000</u>	<u>\$ 23,464,000</u>	<u>\$ 23,464,000</u>
Total Projected Operating Surplus	\$ 21,844,811	\$ 8,962,811	\$ 9,173,068	\$ 8,111,000	\$ 8,111,000
Catastrophic Reserve	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Incentive/Grant Available Amount	<u>\$ 18,344,811</u>	<u>\$ 5,462,811</u>	<u>\$ 5,673,068</u>	<u>\$ 4,611,000</u>	<u>\$ 4,611,000</u>

In FY 2017, only \$4.4 million is allowed for PSAP grants

The funding increase or decrease by individual PSAP will vary.

Source

Homeland Security and Emergency Management Department

/s/ Holly M. Lyons

April 22, 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.