SENATE FILE 659
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1241)

(As Amended and Passed by the Senate May 14, 2025)
ALL New Language by the Senate

A BILL FOR

An Act relating to state government and finances, including by making, modifying, limiting, or reducing appropriations, distributions, or transfers; authorizing expenditure of unappropriated moneys in special funds; providing for properly related matters including crystalline polymorph psilocybin, medical residency and fellowship positions, state membership in the Iowa individual health benefit reinsurance association, student abuse by school employees, modified supplemental amounts for school budgets, wagering taxes, a state fire marshal study, certain legislative interim studies, and 911 emergency communications services; making corrections; and including effective date, applicability, and retroactive applicability provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

APPROPRIATIONS, DISTRIBUTIONS, TRANSFERS, AND EXPENDITURE AUTHORITY

Section 1. LIMITATIONS OF STANDING APPROPRIATIONS —— FY 2025-2026. Notwithstanding the standing appropriation in the following designated section for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the amount appropriated from the general fund of the state pursuant to that section for the following designated purpose shall not exceed the following amount:

For payment of claims for nonpublic school pupil transportation under section 285.2:

..... $ 8,997,091

If total approved claims for reimbursement for nonpublic school pupil transportation exceed the amount appropriated in accordance with this section, the department of education shall prorate the amount of each approved claim.

Sec. 2. INSTRUCTIONAL SUPPORT STATE AID —— FY 2025-2026. In lieu of the appropriation provided in section 257.20, subsection 2, the appropriation for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for paying instructional support state aid under section 257.20 for the fiscal year is zero.

Sec. 3. SPECIAL FUNDS —— SALARY ADJUSTMENTS —— FY 2025-2026. For the fiscal year beginning July 1, 2025, and ending June 30, 2026, salary adjustments otherwise provided may be funded as determined by the department of management, subject to any applicable constitutional limitation, using unappropriated moneys remaining in the commerce revolving fund, the gaming enforcement revolving fund, the gaming regulatory revolving fund, the primary road fund, the road use tax fund, the fish and game protection fund, and the Iowa public employees' retirement fund, and in other departmental revolving, trust, or special funds for which the general assembly has not made an operating budget appropriation.

Sec. 4. IOWA ECONOMIC EMERGENCY FUND EXCESS —— USE FOR FOUNDATION AID. Of the excess moneys transferred to the general fund of the state under section 8.55, subsection 2, paragraph "b", for the fiscal year beginning July 1, 2024, $21,881,303 shall be used in lieu of a like amount of other general fund moneys to pay foundation aid under chapter 257, as described in section 257.16, for the fiscal year beginning July 1, 2025. This section is based on the application of assessment limitations calculated under section 441.21 due to the enactment of 2023 Iowa Acts, chapter 5.

Sec. 5. Section 257.35, subsection 2, Code 2025, is amended to read as follows:

2. ~~Notwithstanding the deduction and payment under subsection 1, the~~ The amounts specified for school districts ~~and area education agencies~~ in ~~subsection 1, paragraph "a"~~ section 257.10, subsection 7, for the fiscal year beginning July 1, ~~2024~~ 2025, and each succeeding fiscal year, shall be reduced by the department of management by seven million five hundred thousand dollars. The department of management shall calculate a state aid reduction such that such amounts shall be reduced proportionally to the amount that the district ~~or agency~~ would otherwise have received under ~~this~~ section ~~if the reduction imposed pursuant to this subsection did not apply~~ 257.10, subsection 7.

Sec. 6. Section 257.35, Code 2025, is amended by adding the following new subsections:

NEW SUBSECTION. 19A. In addition to the state aid reduction applicable pursuant to subsection 2, the state aid portion of the amounts specified for school districts in section 257.10, subsection 7, for the fiscal year beginning July 1, 2025, and ending June 30, 2026, shall be reduced by the department of management by twenty-five million dollars. The reductions for each district shall be prorated based on the proportional reduction that the district receives under subsection 2.

NEW SUBSECTION. 19B. The director of the department of

management may deduct the following from the state aid due to each school district pursuant to this chapter and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year for purposes of providing services to students enrolled in nonpublic schools within the boundaries of the area education agency:

a. The amount calculated for media services for the school district that is attributable to the number of students enrolled in nonpublic schools within the school district who are provided with media services by an area education agency.

b. The amount calculated for educational services for the school district that is attributable to the number of students enrolled in nonpublic schools within the school district who are provided with educational services by an area education agency.

DIVISION II

CORRECTIVE PROVISIONS

Sec. 7. Section 29D.4, subsection 2, paragraph b, as enacted by 2025 Iowa Acts, Senate File 619, section 8, is amended to read as follows:

b. Moneys in the fund are appropriated to the department to provide loans to eligible entities pursuant to section ~~29D.9~~ 29D.8, and for administration of the program as permitted under the STORM Act. Moneys in the fund shall not be used to provide a loan to a private entity for the acquisition of real property. Moneys in the fund shall not be considered part of the general fund of the state subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance, shall not be included in the general fund of the state subject to section 16.31, insofar as section 16.31 complies with the STORM Act.

Sec. 8. Section 144E.3, Code 2025, as amended by 2025 Iowa Acts, Senate File 233, section 2, if enacted, is amended to read as follows:

144E.3 Manufacturer and eligible facility rights.

1. A manufacturer of an investigational drug, biological product, or device or a manufacturer operating within, and in compliance with all requirements applicable to, an eligible facility may make available, and an eligible patient, as applicable under section ~~144E.1~~ 144E.2, subsection 2, paragraph *"a"* or *"b"*, may request from a manufacturer of an investigational drug, biological product, or device, or a manufacturer operating within, and in compliance with all requirements applicable to, an eligible facility, the manufacturer's investigational drug, biological product, or device, or the manufacturer's individualized investigational treatment under this chapter. This chapter does not require a manufacturer of an investigational drug, biological product, or device, or of an individualized investigational treatment to provide or otherwise make available the investigational drug, biological product, or device, or the individualized investigational treatment to an eligible patient.

2. An eligible facility, or a manufacturer described in subsection 1, that is in compliance with all applicable requirements, may do any of the following:

a. Provide an investigational drug, biological product, or device, or an individualized investigational treatment to an eligible patient, as applicable under section ~~144E.1~~ 144E.2, subsection 2, paragraph *"a"* or *"b"*, without receiving compensation.

b. Require an eligible patient, as applicable under section ~~144E.1~~ 144E.2, subsection 2, paragraph *"a"* or *"b"*, to pay the costs of, or the costs associated with, the manufacture of the investigational drug, biological product, or device, or the individualized investigational treatment.

Sec. 9. Section 237.10, subsection 1, paragraph d, if enacted by 2025 Iowa Acts, House File 644, section 3, is amended to read as follows:

d. (1) The department shall notify an individual licensee,

and the parents or guardians of a child, if the department delegates the department's right to consent to emergency medical care and routine medical care on behalf of the child under section 232.2, subsection 12, paragraph "c", to the individual licensee.

(2) The department shall notify the department of education, an individual licensee, and the parents or guardians of a child if the department delegates the department's right to consent to participation in an individualized education program on behalf of the child under section 232.2, subsection 12, paragraph "c", to the individual licensee.

Sec. 10. Section 237.10, subsection 1, paragraph d, if enacted by 2025 Iowa Acts, House File 644, section 7, is amended to read as follows:

d. (1) The department shall notify an individual licensee or an approved kinship caregiver, and the parents or guardians of a child, if the department delegates the department's right to consent to emergency medical care and routine medical care on behalf of the child under section 232.2, subsection 12, paragraph "c", to the individual licensee or approved kinship caregiver.

(2) The department shall notify the department of education, an individual licensee or an approved kinship caregiver, and the parents or guardians of a child, if the department delegates the department's right to consent to participation in an individualized education program on behalf of the child under section 232.2, subsection 12, paragraph "c", to the individual licensee or approved kinship caregiver.

Sec. 11. Section 256.9, subsection 69, as enacted by 2025 Iowa Acts, House File 782, section 1, is amended to read as follows:

69. On or before May 1, 2025, develop and distribute to school districts, accredited nonpublic schools, charter schools, and innovation zone schools model policies that, if adopted, would satisfy ~~the~~ a school district's~~, charter~~

~~school's, or innovation zone school's~~ responsibilities under section 279.87 relating to policies governing student use of personal electronic devices.

Sec. 12. Section 280.36, subsection 1, as enacted by 2025 Iowa Acts, Senate File 583, section 4, is amended to read as follows:

1. The board of directors of each school district and the authorities in charge of each accredited nonpublic school may establish a multidisciplinary school safety assessment team. If established, the multidisciplinary school safety assessment team shall coordinate resources and assess and intervene when a student enrolled in the school district or accredited nonpublic school exhibits behavior that may pose a threat to the safety of the school district or accredited nonpublic school, employees of the school district or accredited nonpublic school, or other ~~student~~ students enrolled in the school district or accredited nonpublic school.

Sec. 13. Section 299.1D, subsection 1, paragraph f, if enacted by 2025 Iowa Acts, House File 870, section 2, is amended to read as follows:

f. The school district or accredited nonpublic school must not expend any moneys related to the course in religious instruction, not including de minimis administrative costs associated with processing notifications received under ~~subsection 1~~ paragraph "*a*" and tracking the child's attendance to ensure compliance with this section.

Sec. 14. Section 404A.3, subsection 3, paragraph b, subparagraph (5), subparagraph division (c), if enacted by 2025 Iowa Acts, House File 975, section 19, is amended to read as follows:

(c) Upon application of the eligible taxpayer made prior to the expiration of an extension under subparagraph division (b), the authority may, at the discretion of the authority, extend the date by which the qualified rehabilitation project must be complete up to an additional twelve consecutive months.

The qualified eligible taxpayer must substantiate to the satisfaction of the authority that the requested extension is warranted due to extenuating circumstances outside the control of the eligible taxpayer.

Sec. 15. Section 510B.8E, subsection 3, unnumbered paragraph 1, if enacted by 2025 Iowa Acts, Senate File 383, section 7, is amended to read as follows:

The pharmacy benefits ~~manger~~ manager shall respond to an appeal within seven business days after the date on which the pharmacy benefits manager receives the appeal.

Sec. 16. Section 514F.8, subsection 1A, paragraph c, subparagraph (8), if enacted by 2025 Iowa Acts, House File 303, section 1, is amended to read as follows:

(8) The average and median time that elapsed between the submission of a nonurgent prior authorization request and a determination by the utilization review organization for the ~~urgent~~ nonurgent prior authorization request, aggregated for all health care services or items.

Sec. 17. Section 522F.4, subsection 2, as enacted by 2025 Iowa Acts, Senate File 619, section 59, is amended to read as follows:

2. ~~Any~~ The fee for a criminal history check shall be the same as any applicable fee for a criminal history check pursuant to section 522B.5A.

Sec. 18. Section 522F.9, subsection 2, as enacted by 2025 Iowa Acts, Senate File 619, section 64, is amended to read as follows:

2. ~~Any~~ The fee for a criminal history check shall be the same as any applicable fee for a criminal history check pursuant to section 522B.5A.

Sec. 19. CODE EDITOR DIRECTIVE. 2025 Iowa Acts, Senate File 619, section 29, amends section 515.137A, subsections 3, 4, and 5, Code 2025, by striking the subsections and inserting in lieu thereof new subsections 3, 4, and 5, and, notwithstanding the Acts section lead-in, adds new subsections 6, 7, 8, 9, and 10.

The Code editor is directed to codify 2025 Iowa Acts, Senate File 619, section 29, by striking section 515.137A, subsections 3, 4, and 5, Code 2025, and inserting in lieu thereof new subsections 3, 4, and 5, and then by amending section 515.137A, Code 2025, by adding new subsections 6, 7, 8, 9, and 10.

Sec. 20. EFFECTIVE DATE. The following, being deemed of immediate importance, takes effect upon enactment:

The section of this division of this Act amending section 256.9, subsection 69, as enacted by 2025 Iowa Acts, House File 782, section 1.

Sec. 21. RETROACTIVE APPLICABILITY. The following applies retroactively to April 30, 2025:

The section of this division of this Act amending section 256.9, subsection 69, as enacted by 2025 Iowa Acts, House File 782, section 1.

DIVISION III

CRYSTALLINE POLYMORPH PSILOCYBIN

Sec. 22. Section 124.201, subsection 5, if enacted by 2025 Iowa Acts, House File 383, section 1, is amended to read as follows:

5. *a.* Notwithstanding section 124.204, subsection 4, a drug that contains the pharmaceutical composition of crystalline polymorph psilocybin~~, also known as COMP 360, or any other trade name approved by the United States food and drug administration,~~ shall be immediately removed from schedule I under section 124.204, subsection 4, paragraph *"s"*, upon its approval by the United States food and drug administration and rescheduled based upon the recommendations of the United States food and drug administration and its listing in the federal Controlled Substances Act, 21 U.S.C. §812, and 21 C.F.R. §1308.14.

b. Immediately upon the rescheduling of the drug under paragraph *"a"*, it shall be lawful to prescribe, distribute, and market the pharmaceutical composition of crystalline polymorph psilocybin~~, also known as COMP 360, or any other trade name~~

~~approved by the United States food and drug administration~~.

DIVISION IV

MEDICAL RESIDENCY AND FELLOWSHIP POSITIONS —— RESIDENTS OF IOWA

Sec. 23. Section 262.9, subsection 39, paragraph e, subparagraph (2), if enacted by 2025 Iowa Acts, House File 516, section 1, is amended to read as follows:

(2) An individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual ~~applies for admission to~~ begins classes at the college of medicine in the doctor of medicine program or the college of dentistry at the state university of Iowa, or ~~for~~ begins a residency at the university of Iowa hospitals and clinics.

DIVISION V

STATE MEMBERSHIP —— REINSURANCE ASSOCIATION

Sec. 24. Section 513C.10, subsection 1, paragraph a, Code 2025, is amended to read as follows:

a. All persons that provide health benefit plans in this state including insurers providing accident and sickness insurance under chapter 509, 514, or 514A, whether on an individual or group basis; fraternal benefit societies providing hospital, medical, or nursing benefits under chapter 512B; and health maintenance organizations, other entities providing health insurance or health benefits subject to state insurance regulation, and all other insurers as designated by the board of directors of the Iowa comprehensive health insurance association with the approval of the commissioner shall be members of the association. However, the state, including a department, an independent agency, the state board of regents, and an institution under the control of the state board of regents, shall not be a member of the association.

Sec. 25. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 26. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2020.

DIVISION VI

STUDENT ABUSE INVOLVING A SCHOOL EMPLOYEE —— DEPARTMENT OF HEALTH AND HUMAN SERVICES INVESTIGATIONS

Sec. 27. NEW SECTION. **232E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board of educational examiners"* means the board created in section 256.146.

2. *"Department"* means the department of health and human services.

3. *"Investigation"* means the process by which the department responds to all accepted reports of alleged student abuse.

4. *"Nonpublic school"* means the same as defined in section 280.2.

5. *"Public school"* means the same as defined in section 280.2.

6. *"Public school district"* means a public school district as described in chapter 274, and includes a charter school under chapter 256E, or a charter school or an innovation zone school under chapter 256F.

7. *"School employee"* means any of the following:

a. A person employed by a public school or a nonpublic school.

b. A vendor, or an employee of a vendor, that provides goods or services to a public school or a nonpublic school.

c. An agent, or an employee of an agent, of a public school or a nonpublic school.

d. A volunteer under the direction and control of any of the following:

(1) The board of directors or any administrator of a public school district.

(2) The board or authorities in control of a nonpublic school.

(3) The board of directors or administrator of an agency called upon by a school official to provide services to students in an educational capacity.

8. *"Student"* means a person enrolled in a public school, a nonpublic school, or a prekindergarten program in a public school or a nonpublic school.

9. *"Student abuse"* means any of the following which occur on school grounds during school time, or on or at a school-related curricular or extracurricular activity:

a. Any nonaccidental physical injury, or an injury which does not match the history provided for how the injury occurred, suffered by a student as the result of an act or omission of a school employee, that is not otherwise excluded by section 280.21, subsection 2.

b. The commission of a sexual offense under chapter 709, section 726.2, or section 728.12, subsection 1, with or to a student as a result of an act or omission of a school employee.

c. An act or omission of a school employee which allows, permits, or encourages a student to engage in an act prohibited under section 725.1.

Sec. 28. NEW SECTION. **232E.2 Investigation of alleged student abuse by school employees —— rules.**

1. The department shall administer this chapter to provide for the investigation of reports of alleged student abuse by school employees as specified in this chapter.

2. *a.* If, during the child abuse intake process under chapter 232, subchapter III, part 2, the department receives a report from an identifiable source and the department determines the report constitutes an allegation of student abuse involving a school employee, the department shall notify the board of directors of the public school district or the authorities in charge of the nonpublic school associated with the school employee, and the board of educational examiners, of the determination.

b. Upon notification under paragraph *"a"*, the board of directors of the public school district or the authorities in charge of the nonpublic school shall place the school employee on administrative leave and shall prohibit the school employee

from entering school property until the investigation is completed.

3. If the department determines the alleged student abuse constitutes a criminal act, the department shall do all of the following:

a. Immediately refer the matter to, and jointly investigate the matter with, the appropriate law enforcement agency.

b. Notify the board of directors of the public school district, or the authorities in charge of the nonpublic school, associated with the school employee of the referral under paragraph *"a"*.

c. If the school employee is licensed, certified, or authorized by the board of educational examiners, or holds an active statement of recognition issued by the board of educational examiners, notify the board of educational examiners of the referral under paragraph *"a"*.

4. Following receipt of a report of alleged student abuse, the department shall do all of the following:

a. Commence an investigation within twenty-four hours of receipt of the report.

b. Complete the investigation within thirty business days of receipt of the report.

5. Upon completion of an investigation, the department shall submit a written investigation report to all of the following:

a. The board of directors of the public school district, or the authorities in charge of the nonpublic school, associated with the school employee subject to the investigation.

b. The board of educational examiners if the school employee subject to the investigation is licensed, certified, or authorized by the board of educational examiners, or holds an active statement of recognition issued by the board of educational examiners.

6. The department shall adopt rules pursuant to chapter 17A, in consultation with the department of education, to

administer this chapter. Rules adopted by the department shall include rules regarding the intake and investigation processes, investigation reports, case and investigation record retention and dissemination, and case disposition.

7. The department shall maintain information and data regarding student abuse reports, investigations, and dispositions under this chapter separately from information and data regarding child abuse reports, assessments, and dispositions under chapter 232.

DIVISION VII

STUDENT ABUSE INVOLVING A SCHOOL EMPLOYEE —— DEPARTMENT OF EDUCATION

Sec. 29. Section 280.17, Code 2025, is amended by striking the section and inserting in lieu thereof the following:

280.17 Student abuse investigations —— termination of employment.

1. The board of directors of a public school district and the authorities in charge of a nonpublic school shall comply with chapter 232E, and shall cooperate with the department of health and human services during an investigation commenced under chapter 232E.

2. The board of directors of a public school or the authorities in charge of a nonpublic school shall terminate the employment of a school employee if the board of directors or authorities in charge receive a written investigation report under section 232E.2, subsection 5, indicating the department of health and human services has determined the school employee committed student abuse.

3. The department of education, in consultation with the department of health and human services, shall adopt rules pursuant to chapter 17A, and a model policy, for the handling of investigations pursuant to chapter 232E.

Sec. 30. Section 321.375, subsection 3, paragraph d, Code 2025, is amended to read as follows:

d. The commission of or conviction for a public offense as

defined by the Iowa criminal code, if the offense is relevant to and affects driving ability, or if the offense includes sexual involvement with a minor student with the intent to commit acts and practices proscribed under sections 709.2 through 709.4, section 709.8, and sections 725.1 through 725.3, or ~~is a violation of the rules of the department of education adopted to implement section 280.17~~ student abuse as defined in section 232E.1.

DIVISION VIII

SCHOOL BUDGETS —— MODIFIED SUPPLEMENTAL AMOUNTS

Sec. 31. Section 257.31, subsection 5, paragraph o, Code 2025, is amended to read as follows:

o. (1) The percentage of students enrolled in the school district as the result of open enrollment under section 282.18 is equal to or greater than forty-five percent of the total number of students enrolled in the school district. The committee shall not approve supplemental aid or a modified supplemental amount that exceeds an amount equal to fifty percent of the product of the net change in the school district's expected enrollment due to open enrollment multiplied by the sum of the following amounts:

(a) The difference between the district's regular program district cost per pupil minus the regular program state cost per pupil.

~~(b) The teacher salary supplement district cost per pupil.~~

~~(c)~~ (b) The professional development supplement district cost per pupil.

~~(d)~~ (c) The early intervention supplement district cost per pupil.

(2) Prior to filing a request for supplemental aid or a modified supplemental amount based on the grounds specified in this paragraph, the board of directors shall hold a public hearing on the issue and shall publish the notice of the time and place of the public hearing. Notice of the time and place of the public hearing shall be published not less than ten nor

more than twenty days before the public hearing in a newspaper that is a newspaper of general circulation in the school district.

(3) A school district is not eligible for supplemental aid or a modified supplemental amount under this paragraph if a majority of the students enrolled in the school district as the result of open enrollment are students receiving online instruction from a private provider under section 256.43, subsection 2.

(4) ~~A school district is only eligible for supplemental aid or a modified supplemental amount under this paragraph for the budget year beginning July 1, 2024~~ If a school district is granted a modified supplemental amount under this paragraph for a budget year beginning on or after July 1, 2025, the school district's combined property tax rate per one thousand dollars for all school district levies for the succeeding budget year shall not exceed the combined property tax rate for all such levies for the budget year for which the modified supplemental amount was granted.

Sec. 32. REPEAL. 2024 Iowa Acts, chapter 1152, section 45, is repealed.

Sec. 33. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 34. APPLICABILITY. This division of this Act applies to school budget years beginning on or after July 1, 2025.

DIVISION IX

WAGERING TAXES

Sec. 35. Section 99D.15, subsection 4, paragraph b, Code 2025, is amended to read as follows:

b. If wagering on simultaneously telecast horse races and dog races is conducted by a licensee under section 99D.9D, a tax of two percent is imposed on the gross sum wagered by the pari-mutuel method on horse races and dog races which are simultaneously telecast in excess of twenty-five million dollars in a calendar year. ~~Of the tax revenue collected~~

~~from simulcast horse races under this paragraph, one-half of one percent of the gross sum wagered shall be remitted to the treasurer of the county in which a horse racetrack is located in this state and licensed under this chapter.~~ The tax revenue from simulcast horse races under this paragraph shall be deposited in the Iowa horse racing fund created in section 99D.27B. The remaining amount of tax revenue shall be deposited with the commission.

Sec. 36. Section 99D.17, Code 2025, is amended to read as follows:

99D.17 Use of ~~funds~~ moneys.

~~Funds~~ Unless otherwise provided by section 99D.15 or another provision of law, moneys received pursuant to sections 99D.14 and 99D.15 shall be deposited as provided in section 8.57, subsection 3. These ~~funds~~ moneys shall first be used to the extent appropriated by the general assembly. The commission is subject to the budget requirements of chapter 8 and the applicable auditing requirements and procedures of chapter 11.

Sec. 37. NEW SECTION. **99D.27B Iowa horse racing fund — advance deposit wagering tax.**

1. An Iowa horse racing fund is created in the state treasury under the control of the commission.

2. The fund shall consist of tax revenue collected and deposited in the fund pursuant to subsection 6 and section 99D.15, subsection 4, and such other moneys appropriated to, transferred to, or deposited in the fund.

3. *a.* Moneys in the fund are appropriated to the commission for distribution in a manner and in an amount as determined by the commission to individual entities or a recognized compact of entities tasked with the regulation of the horse racing industry in accordance with the federal Horseracing Integrity and Safety Act of 2020, 15 U.S.C. ch. 57A.

b. In the event that the federal Horseracing Integrity and Safety Act of 2020, 15 U.S.C. ch. 57A, is repealed, moneys in the fund shall be transferred to the rebuild Iowa

infrastructure fund created in section 8.57.

4. Members of the commission and those acting on behalf of the commission assisting in the distribution of the moneys in the fund shall be held harmless against any claim of liability made by an individual or entity arising out of the distribution of the moneys from the fund by the commission.

5. Section 8.33 does not apply to moneys in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

6. A tax of two percent is imposed on the gross sum wagered by the pari-mutuel method as an advance deposit wager under section 99D.11, subsection 6, paragraph *"c"*. The tax imposed under this subsection is in lieu of any tax imposed on such wagers under section 99D.15. The tax revenue generated under this subsection shall be deposited in the fund.

DIVISION X

STATE FIRE MARSHAL STUDY

Sec. 38. STATE FIRE MARSHAL —— COUNTYWIDE FIRE PROTECTION SERVICES STUDY.

1. The state fire marshal shall conduct a study of fire protection services in this state to analyze whether a structure of countywide fire protection services would maximize fire protection coverage and emergency response times. The study shall be conducted in consultation with representatives from the following stakeholders:

a. The department of homeland security and emergency management.

b. The Iowa association of professional fire chiefs.

c. The Iowa fire chiefs' association.

d. The Iowa firefighters association.

e. The Iowa professional fire fighters.

f. The Iowa emergency management association.

g. At least one attorney licensed to practice law in this state with experience representing entities associated with

fire protection services.

h. At least one representative from a city having a population of thirty-seven thousand or more as determined by the 2020 federal decennial census.

i. At least one representative from a city having a population of less than five thousand as determined by the 2020 federal decennial census.

j. At least one representative from a county having a population of ninety thousand or more as determined by the 2020 federal decennial census.

k. Four members of the general assembly serving as ex officio, nonvoting members, one representative to be appointed by the speaker of the house of representatives, one representative to be appointed by the minority leader of the house of representatives, one senator to be appointed by the president of the senate after consultation with the majority leader of the senate, and one senator to be appointed by the minority leader of the senate.

2. The countywide fire protection services study shall include all of the following:

a. A cost analysis for upfront and ongoing costs to provide consolidated countywide fire protection services systems. The analysis and recommendations shall include proposed funding mechanisms and potential consolidated funding resources that comply with local, state, and federal law. The analysis shall also include the potential effects countywide fire protection services could have on local authority expenditures and budgets.

b. An analysis of current fire protection coverage including current response times and recommendations for placement of service stations to maximize fire protection coverage and emergency response times in the most efficient and cost-effective manner.

c. An analysis of current and future staffing needs including a proposed employment structure for countywide

fire protection services that focuses on adequate employee pay and volunteer staffing, including benefits, stipends, or other compensation allowed in accordance with local, state, or federal law.

d. An analysis of current fire protection services equipment and future fire protection services equipment needs including proposed placement of fire protection services equipment in service stations to maximize fire protection coverage and emergency response times.

e. An analysis of current communication and dispatch challenges including proposed recommendations for more efficient and effective communications.

f. An analysis of the need for city and township fire protection services in relation to the implementation of a countywide fire protection service.

g. An analysis of existing countywide fire protection service programs in this state including outlining current processes and procedures. The analysis under this paragraph must include outlines of any current or proposed fire protection service programs under chapter 28E, 357B, 357F, 357G, or 357J, and any other legal agreement, contract, or consolidated effort, including as part of a district.

h. An analysis of countywide fire protection services in other states, with an emphasis on midwest states, including an analysis of those fire protection programs in comparison to the fire protection needs of this state.

i. Recommendations for the implementation of countywide fire protection services in this state including proposed functionality and an emphasis on the potential impact of implementation on the four most populous counties in this state as determined by the 2020 federal decennial census, along with surrounding counties if a multicounty approach to fire protection services would be more beneficial based on the study's findings.

3. The state fire marshal shall submit a report of the

study's findings to the general assembly on or before June 30, 2026.

Sec. 39. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XI

INTERIM STUDIES

Sec. 40. INTERIM STUDY COMMITTEE —— ALL-TERRAIN VEHICLES AND OFF-ROAD UTILITY VEHICLES ON HIGHWAYS.

1. The legislative council is requested to establish an interim study committee to meet during the 2025 legislative interim to examine policy matters and recommend statutory changes relating to the operation of all-terrain vehicles and off-road utility vehicles on highways, including but not limited to the following:

a. Requiring registration and a fee for all-terrain vehicles and off-road utility vehicles to be operated on a highway, other than the registration required for such vehicles to be operated on public land, public ice, or a designated riding trail of this state.

b. Consolidating Code provisions that regulate the operation of all-terrain vehicles and off-road utility vehicles.

2. The interim study committee shall consist of three members of the senate, two of whom shall be appointed by the majority leader of the senate and one of whom shall be appointed by the minority leader of the senate, and three members of the house of representatives, two of whom shall be appointed by the speaker of the house of representatives and one of whom shall be appointed by the minority leader of the house of representatives.

3. The interim study committee, in consultation with the director of the department of transportation or the director's designee, the commissioner of public safety or the commissioner's designee, and the director of the department of natural resources or the director's designee, shall submit a

report with its findings and recommendations to the general assembly no later than January 12, 2026. A proposed bill by the interim study committee may be filed in lieu of submitting a final report.

Sec. 41. SUBACUTE MENTAL HEALTH CARE SERVICES —— INTERIM STUDY COMMITTEE.

1. The legislative council is requested to establish an interim study committee during the 2025 legislative interim to review the following topics as related to subacute mental health care services:

a. The mental health services that should be available at a subacute level of care.

b. Whether subacute mental health care services would be most effectively delivered through a single subacute mental health care facility serving the entire state, several regional subacute mental health care facilities, or local options for subacute mental health care services.

c. The mental health care providers that could best provide subacute mental health care services.

d. The requirements for an individual's commitment, whether voluntary or involuntary, to a subacute mental health care facility or for subacute mental health care services.

e. The changes that may be required to the current commitment process to allow for an individual's commitment to a subacute mental health care facility or for subacute mental health care services.

f. The requirements for an individual's discharge from a subacute mental health care facility or from subacute mental health care services.

2. The interim study committee shall consist of five members of the senate and five members of the house of representatives. Three members of the senate shall be appointed by the majority leader of the senate and two members of the senate shall be appointed by the minority leader of the senate. Three members of the house of representatives shall be appointed by the

speaker of the house of representatives and two members of the house of representatives shall be appointed by the minority leader of the house of representatives.

3. The interim study committee shall report the committee's findings and recommendations to the general assembly no later than January 12, 2026.

DIVISION XII

911 EMERGENCY COMMUNICATIONS SERVICES

Sec. 42. NEW SECTION. **34A.12 Delivery of 911 calls — reimbursement.**

The program manager may request reimbursement from each joint 911 service board for reasonable costs under section 34A.7A related to the delivery of 911 call traffic to public safety answering points. Upon request, each joint 911 service board shall reimburse the department of homeland security and emergency management for such costs within thirty days.