

**CHAPTER 170**

**STATE AND LOCAL GOVERNMENT FINANCIAL AND REGULATORY MATTERS —  
APPROPRIATIONS AND MISCELLANEOUS CHANGES**

*S.F. 516*

**AN ACT** relating to state and local finances by making appropriations, providing for legal and regulatory responsibilities, concerning taxation, and providing for other properly related matters, and including effective date and retroactive applicability provisions.

*Be It Enacted by the General Assembly of the State of Iowa:*

**DIVISION I  
STANDING APPROPRIATIONS AND RELATED MATTERS**

**Section 1. BUDGET PROCESS FOR FISCAL YEAR 2018-2019.**

1. For the budget process applicable to the fiscal year beginning July 1, 2018, on or before October 1, 2017, in lieu of the information specified in [section 8.23, subsection 1](#), unnumbered paragraph 1, and [section 8.23, subsection 1](#), paragraph “a”, all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

**Sec. 2. BUDGET PROCESS FOR FISCAL YEAR 2019-2020.**

1. For the budget process applicable to the fiscal year beginning July 1, 2019, on or before October 1, 2018, in lieu of the information specified in [section 8.23, subsection 1](#), unnumbered paragraph 1, and [section 8.23, subsection 1](#), paragraph “a”, all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

**Sec. 3. LIMITATIONS OF STANDING APPROPRIATIONS — FY 2017-2018.** Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not exceed the following amounts:

1. For payment of claims for nonpublic school transportation under [section 285.2](#):  
..... \$ 8,197,091

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

2. For distribution for the tribal council of the Sac and Fox Indian settlement for educating American Indian children under [section 256.30](#):  
..... \$ 95,750

Sec. 4. LIMITATIONS OF STANDING APPROPRIATIONS — FY 2018-2019. Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not exceed the following amounts:

- 1. For payment of claims for nonpublic school transportation under [section 285.2](#):  
..... \$ 8,197,091

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

- 2. For distribution for the tribal council of the Sac and Fox Indian settlement for educating American Indian children under [section 256.30](#):  
..... \$ 95,750

Sec. 5. GENERAL ASSEMBLY.

1. The appropriations made pursuant to [section 2.12](#) for the expenses of the general assembly and legislative agencies for the fiscal year beginning July 1, 2017, and ending June 30, 2018, are reduced by the following amount:

- ..... \$ 400,000

2. The budgeted amounts for the general assembly and legislative agencies for the fiscal year beginning July 1, 2017, may be adjusted to reflect the unexpended budgeted amounts from the previous fiscal year.

3. Annual membership dues for organizations, associations, and conferences shall not be paid from moneys appropriated pursuant to [section 2.12](#).

4. Costs for out-of-state travel and per diems for out-of-state travel shall not be paid from moneys appropriated pursuant to [section 2.12](#).

Sec. 6. INSTRUCTIONAL SUPPORT STATE AID — FY 2017-2018. In lieu of the appropriation provided in [section 257.20, subsection 2](#), the appropriation for the fiscal year beginning July 1, 2017, and ending June 30, 2018, for paying instructional support state aid under [section 257.20](#) for such fiscal years is zero.

Sec. 7. SPECIAL FUNDS — SALARY ADJUSTMENTS — FY 2017-2018 — FY 2018-2019. For the fiscal year beginning July 1, 2017, and ending June 30, 2018, and for the fiscal year beginning July 1, 2018, and ending June 30, 2019, salary adjustments may be funded using departmental revolving, trust, or special funds for which the general assembly has established an operating budget, provided that doing so does not exceed the operating budget established by the general assembly.

Sec. 8. OPERATIONAL APPROPRIATIONS — REVERSION — FY 2016-2017. Notwithstanding [section 8.62](#), at the close of the fiscal year beginning July 1, 2016, and ending June 30, 2017, any balance of an operational appropriation that remains unexpended or unencumbered shall not be encumbered or deposited in the cash reserve fund as provided in [section 8.62](#), but shall instead revert to the general fund of the state at the close of the fiscal year as provided in [section 8.33](#).

Sec. 9. SPECIAL FUNDS — SALARY ADJUSTMENTS — UNAPPROPRIATED MONEYS — FY 2017-2018 — FY 2018-2019. For the fiscal year beginning July 1, 2017, and ending June 30, 2018, and for the fiscal year beginning July 1, 2018, and ending June 30, 2019, salary adjustments otherwise provided may be funded as determined by the department of management using unappropriated moneys remaining in the department of 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, 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. 10. SALARY MODEL ADMINISTRATOR. The salary model administrator shall work in conjunction with the legislative services agency to maintain the state’s salary model used for analyzing, comparing, and projecting state employee salary and benefit information, including information relating to employees of the state board of regents. The department of revenue, the department of administrative services, the five institutions under the jurisdiction of the state board of regents, the judicial district departments of correctional services, and the state department of transportation shall provide salary data to the department of management and the legislative services agency to operate the state’s salary model. The format and frequency of provision of the salary data shall be determined by the department of management and the legislative services agency. The information shall be used in collective bargaining processes under [chapter 20](#) and in calculating the funding needs contained within the annual salary adjustment legislation. A state employee organization as defined in [section 20.3, subsection 4](#), may request information produced by the model, but the information provided shall not contain information attributable to individual employees.

Sec. 11. Section 257.35, Code 2017, is amended by adding the following new subsection:  
NEW SUBSECTION. 11A. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2017, and ending June 30, 2018, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

Sec. 12. EFFECTIVE UPON ENACTMENT. The following provision or provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act reverting to the general fund any unexpended or unencumbered moneys from operational appropriations.

DIVISION II  
 MISCELLANEOUS APPROPRIATIONS

Sec. 13. TRANSFER FROM CASH RESERVE FUND. Notwithstanding [section 8.56, subsection 3 and subsection 4](#), paragraph “a”, there is transferred from the cash reserve fund created in [section 8.56](#) to the general fund of the state for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount:

..... \$ 131,100,000

Sec. 14. CASH RESERVE FUND APPROPRIATION — FY 2017-2018. There is appropriated from the general fund of the state to the cash reserve fund created in [section 8.56](#) for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount:

..... \$ 20,000,000

Sec. 15. CASH RESERVE FUND APPROPRIATION — FY 2018-2019. There is appropriated from the general fund of the state to the cash reserve fund for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount:

..... \$ 111,100,000

Sec. 16. SEXUAL ABUSE EVIDENCE COLLECTION KITS. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For expediting the processing of sexual abuse evidence collection kits, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 200,000  
 ..... FTEs 2.00

Sec. 17. DEPARTMENT OF EDUCATION — VOCATIONAL REHABILITATION SERVICES DIVISION.

1. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of meeting federal maintenance of effort requirements: ..... \$ 106,705

2. Moneys appropriated in this section shall supplement, not supplant, moneys appropriated for the same purposes in 2017 Iowa Acts, House File 642, <sup>1</sup> section 5, subsection 3, paragraph “a”.

Sec. 18. GUBERNATORIAL TRANSITION. There is appropriated from the general fund of the state to the offices of the governor and the lieutenant governor for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For expenses incurred during the gubernatorial transition: ..... \$ 150,000

Sec. 19. EFFECTIVE UPON ENACTMENT. The following provision or provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act transferring moneys from the cash reserve fund to the general fund of the state for the fiscal year beginning July 1, 2016.

DIVISION III  
MISCELLANEOUS PROVISIONS

Sec. 20. Section 2.43, unnumbered paragraph 1, Code 2017, is amended to read as follows:

The legislative council in cooperation with the officers of the senate and house shall have the duty and responsibility for preparing for each session of the general assembly. Pursuant to such duty and responsibility, the legislative council shall assign the use of areas in the state capitol except for the areas used by the governor as of January 1, 1986, ~~and by the courts as of July 1, 2003,~~ and, in consultation with the director of the department of administrative services and the capitol planning commission, may assign areas in other state office buildings, except for the judicial branch building, for use of the general assembly or legislative agencies. The legislative council shall provide the courts with use of space in the state capitol for ceremonial purposes. The legislative council may authorize the renovation, remodeling and preparation of the physical facilities used or to be used by the general assembly or legislative agencies subject to the jurisdiction of the legislative council and award contracts pursuant to such authority to carry out such preparation. The legislative council may purchase supplies and equipment deemed necessary for the proper functioning of the legislative branch of government.

Sec. 21. Section 8A.322, subsection 2, Code 2017, is amended to read as follows:

2. Except for buildings and grounds described in [section 216B.3, subsection 6](#); [section 2.43](#), unnumbered paragraph 1; and any buildings under the custody and control of the Iowa public employees’ retirement system, the director shall assign office space at the capitol, other state buildings, and elsewhere in the city of Des Moines, and the state laboratories facility in Ankeny, for all executive and judicial state agencies. Assignments may be changed at any time. The various officers to whom rooms have been so assigned may control the same while the assignment to them is in force. Official apartments shall be used only for the purpose of conducting the business of the state. The term “capitol” or “capitol building” as used in the Code shall be descriptive of all buildings upon the capitol grounds. The capitol building itself is reserved for the operations of the general assembly, ~~and the governor, and, for ceremonial purposes, for the courts and the.~~ The assignment and use of physical facilities for the general assembly shall be pursuant to [section 2.43](#).

<sup>1</sup> Chapter 172 herein

Sec. 22. Section 8C.7A, subsection 3, paragraph b, unnumbered paragraph 1, if enacted by 2017 Iowa Acts, Senate File 431,<sup>2</sup> is amended to read as follows:

An authority shall not require a person to apply for or enter into an individual license, franchise, or other agreement with the authority or any other entity for the siting of a small wireless facility on a utility pole located in a public right-of-way. However, an authority may, through the conditions set forth in a building permit obtained pursuant to [this subsection](#), do any of the following:

**Sec. 23. NEW SECTION. 9.4A Technology modernization fund.**

1. A technology modernization fund is created in the state treasury under the control of the secretary of state. Moneys in the fund are appropriated to the secretary of state for purposes of modernizing technology used by the secretary of state to fulfill the duties of office.

2. On and after July 1, 2017, any increased fee amount collected by the secretary of state shall be credited to the technology modernization fund. From each fee collected, the amount credited to the fund equals the difference between the fee amount collected and the amount assessed for the same fee on June 30, 2017.

3. Each fiscal year, not more than two million dollars shall be credited to the fund.

4. This section is repealed July 1, 2022.

Sec. 24. Section 270.10, Code 2017, is amended to read as follows:

**270.10 Merger requirements.**

1. The state board of regents shall not merge the school for the deaf at Council Bluffs with the Iowa braille and sight saving school at Vinton or close either of those institutions until all of the following requirements have been met:

1. a. The department of management has presented to the general assembly a comprehensive plan, program, and fiscal analysis of the existing circumstances and the circumstances which would prevail upon the proposed merger or closing, together with data which would support the contention that the merger or closing will be more efficient and effective than continuation of the existing facilities. The analysis shall include a detailed study of the educational implications of the merger or closing, the impact on the students, and the opinions and research of nationally recognized experts in the field of the education of visually impaired and deaf students. The comprehensive plan shall further include a study relating to the programming, fiscal consequences, and political implications which would result if either a merger or an agreement under [chapter 28E](#) should be implemented between the school for the deaf in Council Bluffs and comparable state programs in the state of Nebraska.

2. b. The general assembly has studied the plans, programs, and fiscal analysis and has reviewed their impact on the programs.

3. c. The general assembly has enacted legislation authorizing either the closing or the merger to take effect not sooner than two years after the enactment of the legislation.

2. This section shall not apply to an agreement related to the sale or transfer of the property of the Iowa braille and sight saving school at Vinton entered into between the state of Iowa and the city of Vinton.

Sec. 25. Section 321N.4, subsection 6, Code 2017, is amended to read as follows:

6. Insurance maintained under [this chapter](#) shall be provided by an insurer governed by [chapter 515](#) ~~or 518~~, or by a surplus lines insurer governed by [chapter 515I](#). ~~A surplus lines insurer that issues a policy pursuant to [this section](#) shall be considered an insurance carrier duly authorized to transact business in this state for the purposes of [chapter 321A](#).~~

Sec. 26. EFFECTIVENESS AND IMPLEMENTATION. The general assembly declares that the appropriation from the general fund of the state to the secretary of state, serving as the state commissioner of elections, made pursuant to 2017 Iowa Acts, House File 640,<sup>3</sup>

<sup>2</sup> Chapter 112 herein

<sup>3</sup> Chapter 171 herein

section 21, subsection 1, is sufficient for the implementation of [section 48A.10A](#) contained in 2017 Iowa Acts, House File 516.<sup>4</sup>

**Sec. 27. ALCOHOLIC BEVERAGE CONTROL — STUDY.**

1. It is the intent of the general assembly that the three-tiered system of regulating the alcohol beverage industry is critical to maintaining a fair and competitive marketplace. The study required by this section does not preclude the alcoholic beverages division from applying regulatory discretion that aligns with the performance of the powers and duties granted to the administrator in [chapter 123](#).

2. The alcoholic beverages division of the department of commerce, in conjunction with other stakeholders the division deems necessary, shall conduct a study concerning enforcement issues related to alcoholic beverage control, including consideration of the manner of properly balancing appropriate regulation of the manufacturing, distribution, and sale of alcoholic liquor, wine, and beer in this state with emerging trends in the industry.

3. In conducting the study, the division shall consider any other relevant issues the division identifies for study, issues relating to the three-tiered system and [section 123.45](#), as it impacts the ability of manufacturers, wholesalers, and retailers to meet changing marketplace conditions and business opportunities.

4. By July 1, 2018, the division shall submit a final report to the general assembly. The report shall provide the results of the study including any findings and recommendations.

5. During the time period of the study and consideration of the issue by the general assembly during the 2019 legislative session, if an applicant has a conflict with [section 123.45, subsection 1](#), paragraphs “c” or “d”, the administrator may elect to defer on a final determination regarding the eligibility and issue a temporary license or permit with conditions, if applicable. In making a determination of whether to defer on a final determination, the administrator shall balance regulatory principles and practices that ensure a fair and competitive marketplace with the protections of the public interests as provided in [chapter 123](#).

6. This section is repealed July 1, 2019.

**Sec. 28. SEXUAL ABUSE EVIDENCE COLLECTION KITS.** Any sexual abuse evidence collection kit identified by a jurisdictional law enforcement agency through the inventory required pursuant to 2016 Iowa Acts, chapter 1042, shall be maintained by the law enforcement agency indefinitely. A law enforcement agency in possession of any sexual abuse evidence kit identified through the inventory shall submit for analysis any kit at the request of the department of justice.

**Sec. 29. REPEAL.** Chapter 304A, Code 2017, is repealed.

DIVISION IV  
CORRECTIVE PROVISIONS

**Sec. 30.** Section 22.13A, subsection 5, paragraph b, as enacted by 2017 Iowa Acts, House File 291,<sup>5</sup> section 51, is amended to read as follows:

b. If [paragraph “a”](#), subparagraph (1) or (2) is not consistent with the provision of a collective bargaining agreement, a state agency shall provide the individuals referenced in [this subsection](#), as applicable, with regular reports regarding any personnel settlement agreements entered into with state employees by the state agency.

**Sec. 31.** Section 27.1, as enacted by 2017 Iowa Acts, Senate File 499,<sup>6</sup> section 1, is amended to read as follows:

**27.1 Definitions.**

1. For purposes of [this section chapter](#):

⊖. 1. “*Monitoring device*” means a digital video or audio streaming or recording device that is part of a system of monitoring activity in an area or building using a system in which signals

<sup>4</sup> Chapter 110 herein

<sup>5</sup> Chapter 2 herein

<sup>6</sup> Chapter 135 herein

are transmitted from a video camera or microphone to the receivers by cables or wirelessly, forming a closed circuit.

b. 2. “Public hospital” means a hospital licensed pursuant to [chapter 135B](#) and governed pursuant to [chapter 145A](#), [263](#), [347](#), [347A](#), or [392](#).

e. 3. “Public library” means a library district as described in [chapter 336](#).

d. 4. “Public school” means a school district as described in [chapter 274](#).

e. 5. “Reasonable expectation of privacy” means a person’s reasonable belief, under the circumstances, that the person can disrobe or partially disrobe in privacy without being concerned that the person is being viewed, photographed, or filmed when doing so.

Sec. 32. Section 73A.26, as enacted by 2017 Iowa Acts, Senate File 438,<sup>7</sup> section 6, is amended to read as follows:

**73A.26 Purpose.**

The purpose of [this chapter subchapter](#) is to provide for more economical, nondiscriminatory, neutral, and efficient procurement of construction-related goods and services by this state and political subdivisions of this state.

Sec. 33. Section 80B.19, subsection 2, if enacted by 2017 Iowa Acts, Senate File 509,<sup>8</sup> section 22, is amended to read as follows:

2. Internal training funds in the internal training clearing fund shall be administered by the academy and shall consist of moneys collected by the academy from billings issued in accordance with [this chapter 80B](#), and any other moneys obtained or accepted by the academy, including but not limited to gifts, loans, donations, grants, and contributions, which are obtained or designated to support the activities of the academy.

Sec. 34. Section 84A.1A, subsection 1, paragraph a, subparagraph (8), subparagraph division (b), subparagraph subdivision (iii), as enacted by 2017 Iowa Acts, House File 572,<sup>9</sup> section 1, is amended to read as follows:

(iii) Two representatives of community-based organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of individuals with barriers to employment as defined in the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, §3(24), including but not limited to organizations that serve veterans; or that provide or support competitive, integrated employment for individuals with disabilities; or that serve eligible youth, as defined in the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, §3(18), including representatives of organizations that serve out-of-school youth, as defined in the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, §129(a)(1)(B).

Sec. 35. Section 225D.1, subsection 8, Code 2017, as amended by 2017 Iowa Acts, House File 215,<sup>10</sup> section 1, is amended to read as follows:

8. “Eligible individual” means a child less than fourteen years of age who has been diagnosed with autism based on a diagnostic assessment of autism, is not otherwise eligible for coverage for applied behavioral analysis treatment or applied behavior analysis treatment under the medical assistance program, [section 514C.28](#), [514C.31](#), or other private insurance coverage, and whose household income does not exceed five hundred percent of the federal poverty level.

Sec. 36. Section 261.9, subsection 2A, paragraph b, if enacted by 2017 Iowa Acts, House File 642,<sup>11</sup> section 15, is amended to read as follows:

b. Is a barber school licensed under [section 158.7](#) or a school of cosmetology arts and sciences licensed under [chapter 157](#) and is accredited by a national accrediting agency recognized by the United States department of education. For the fiscal year beginning July 1, 2017, an eligible institution under this paragraph shall provide a matching aggregate

<sup>7</sup> Chapter 65 herein

<sup>8</sup> Chapter 167 herein

<sup>9</sup> Chapter 74 herein

<sup>10</sup> Chapter 18 herein

<sup>11</sup> Chapter 172 herein

amount of institutional financial aid equal to at least seventy-five percent of the amount received by the institution's students for Iowa tuition grant assistance under [section 261.16A](#). For the fiscal year beginning July 1, 2018, the institution shall provide a matching aggregate amount of institutional financial aid equal to at least eighty-five percent of the amount received in that fiscal year. Commencing with the fiscal year beginning July 1, 2019, and each succeeding fiscal year, the matching aggregate amount of institutional financial aid shall be at least equal to the match provided by eligible institutions under [section 261.16A, subsection 2](#) paragraph "a".

Sec. 37. Section 422.7, subsection 41, paragraph a, subparagraph (1), subparagraph division (b), as enacted by 2017 Iowa Acts, Senate File 505,<sup>12</sup> section 1, is amended to read as follows:

(b) For the tax year beginning in the 2018 calendar year and for each subsequent tax year, the director shall multiply each dollar amount set forth in subparagraph division (a), subparagraph subdivisions (i) and (ii) by the latest cumulative inflation factor, shall round off the resulting product to the nearest one dollar, and shall incorporate the result into the income tax forms and instructions for each tax year. For purposes of this subparagraph division, "cumulative inflation factor" means the product of the annual inflation factor for the 2018 calendar year and all annual inflation factors for subsequent calendar years as determined by [section 422.4, subsection 1](#), paragraph "a". The cumulative inflation factor applies to all tax years beginning on or after January 1 of the calendar year for which the latest annual inflation factor has been determined. Notwithstanding any other provision, the annual inflation factor for the 2018 calendar year is one hundred percent.

Sec. 38. 2017 Iowa Acts, House File 488,<sup>13</sup> section 57, as enacted, is amended by striking the section and inserting in lieu thereof the following:

SEC. 57. Section 455B.474, subsection 2, paragraph a, subparagraph (1), Code 2017, is amended to read as follows:

(1) (a) Financial responsibility required by [this subsection](#) may be established in accordance with rules adopted by the commission by any one, or any combination, of the following methods: ~~insurance, guarantee, surety bond, letter~~

(i) Insurance.

(ii) Guarantee.

(iii) Surety bond.

(iv) Letter of credit, or qualification.

(v) Qualification as a self-insurer.

(b) In adopting requirements under [this subsection](#), the commission may specify policy or other contractual terms, conditions, or defenses which are necessary or are unacceptable in establishing the evidence of financial responsibility.

Sec. 39. 2017 Iowa Acts, House File 642,<sup>14</sup> section 44, subsection 1, paragraph f, unnumbered paragraph 2, if enacted, is amended to read as follows:

From the moneys appropriated in this lettered paragraph "f", not more than \$50,000 shall be used by the department ~~for expenses associated with the activities of the secondary career and technical programming task force convened pursuant to this Act to provide statewide support for work-based learning.~~

Sec. 40. 2017 Iowa Acts, House File 642,<sup>15</sup> section 52, subsection 4, paragraph c, subparagraph (4), is amended to read as follows:

(4) Notwithstanding [section 8.33](#), of the moneys appropriated in this paragraph "c" that remain unencumbered or unobligated at the close of the fiscal year, an amount equivalent to not more than 5 percent of the amount appropriated in this paragraph "c" shall not revert by

<sup>12</sup> Chapter 116 herein

<sup>13</sup> Chapter 54 herein

<sup>14</sup> Chapter 172 herein

<sup>15</sup> Chapter 172 herein



but shall remain available for expenditure for summer programs for students until the close of the succeeding fiscal year.

Sec. 41. 2017 Iowa Acts, House File 642,<sup>16</sup> section 55, subsection 1, paragraph f, unnumbered paragraph 2, if enacted, is amended to read as follows:

From the moneys appropriated in this lettered paragraph “f”, not more than \$25,000 shall be used by the department for ~~expenses associated with the activities of the secondary career and technical programming task force convened pursuant to this Act~~ to provide statewide support for work-based learning.

Sec. 42. 2017 Iowa Acts, Senate File 510,<sup>17</sup> section 22, subsection 1, if enacted, is amended to read as follows:

1. Notwithstanding [section 466A.2](#), and the repeal of [chapter 466A](#) as provided in this division of this Act, on and after December 31, 2017, the department of agriculture and land stewardship shall manage moneys credited to the watershed improvement fund in the same manner as required in [2016 Acts, chapter 1134, section 35](#), including by making necessary payments to satisfy any outstanding obligations incurred by the watershed improvement review board prior to December 31, 2017.

Sec. 43. EFFECTIVE UPON ENACTMENT. The following sections of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act amending section 22.13A, subsection 5, paragraph “b”.
2. The section of this division of this Act amending section 73A.26.
3. The section of this division of this Act amending section 84A.1A, subsection 1, paragraph “a”, subparagraph (8), subparagraph division (b), subparagraph subdivision (iii).

Sec. 44. EFFECTIVE DATE. The section of this division of this Act amending section 225D.1, subsection 8, takes effect January 1, 2018.

Sec. 45. APPLICABILITY. The section of this division of this Act amending section 422.7, subsection 41, paragraph a, subparagraph (1), subparagraph division (b), applies to tax years beginning on or after January 1, 2018.

#### DIVISION V WEAPONS

Sec. 46. Section 724.2A, as enacted by 2017 Iowa Acts, House File 517,<sup>18</sup> section 5, is amended to read as follows:

**724.2A Peace officer and reserve peace officer — defined.**

As used in [sections 724.4, 724.6, and 724.11](#), “*peace officer*” means a certified “*peace officer*” and includes a reserve peace officer as defined in [section 80D.1A](#).

Sec. 47. Section 724.4C, subsection 1, unnumbered paragraph 1, as enacted by 2017 Iowa Acts, House File 517,<sup>19</sup> section 8, is amended to read as follows:

Except as provided in [subsection 2](#), a person commits a serious misdemeanor if the person is intoxicated as provided under the conditions set out in [section 321J.2, subsection 1, paragraph “a”, “b”, or “c”](#), and the person does any of the following:

Sec. 48. Section 724.17, subsection 1, as enacted by 2017 Iowa Acts, House File 517,<sup>20</sup> section 22, is amended to read as follows:

1. The application for a permit to acquire pistols or revolvers may be made to the sheriff of the county of the applicant’s residence and shall be on a form prescribed and published by the commissioner of public safety. The application shall require only the full name of the

<sup>16</sup> Chapter 172 herein

<sup>17</sup> Chapter 168 herein

<sup>18</sup> Chapter 69 herein

<sup>19</sup> Chapter 69 herein

<sup>20</sup> Chapter 69 herein

applicant, the driver's license or nonoperator's identification card number of the applicant, the residence of the applicant, and the date and place of birth of the applicant, and whether the applicant meets the criteria specified in [section 724.15](#). The applicant shall also display an identification card that bears a distinguishing number assigned to the cardholder, the full name, date of birth, sex, residence address, and brief description and color photograph of the cardholder, or other identification as specified by rule of the department of public safety. The sheriff shall conduct a criminal history check concerning each applicant by obtaining criminal history data from the department of public safety which shall include an inquiry of the national instant criminal background check system maintained by the federal bureau of investigation or any successor agency. A person who makes what the person knows to be a false statement of material fact on an application submitted under [this section](#) or who submits what the person knows to be any materially falsified or forged documentation in connection with such an application commits a class "D" felony.

Sec. 49. Section 724.22, subsection 9, as enacted by 2017 Iowa Acts, House File 517,<sup>21</sup> section 29, is amended to read as follows:

9. A parent, guardian, spouse, or instructor, who knowingly provides direct supervision under [subsection 5](#), of a person while intoxicated as provided under the conditions set out in [section 321J.2, subsection 1](#), or under the influence of an illegal drug paragraph "a", "b", or "c", commits child endangerment in violation of [section 726.6, subsection 1](#), paragraph "i".

Sec. 50. Section 726.6, subsection 1, paragraph i, as enacted by 2017 Iowa Acts, House File 517,<sup>22</sup> section 30, is amended to read as follows:

i. Knowingly provides direct supervision of a person under [section 724.22, subsection 5](#), while intoxicated as provided under the conditions set out in [section 321J.2, subsection 1](#), or under the influence of an illegal drug paragraph "a", "b", or "c".

Sec. 51. 2017 Iowa Acts, House File 517,<sup>23</sup> section 50, subsection 1, as enacted, is amended to read as follows:

1. The ~~section~~ sections of this Act amending ~~section~~ sections [724.22](#) and [726.6](#).

Sec. 52. REPEAL. 2017 Iowa Acts, House File 517,<sup>24</sup> section 16, as enacted, is repealed.

Sec. 53. EFFECTIVE UPON ENACTMENT. The section of this division of this Act amending 2017 Iowa Acts, House File 517,<sup>25</sup> section 50, subsection 1, being deemed of immediate importance, takes effect upon enactment.

Sec. 54. RETROACTIVE APPLICABILITY. The section of this division of this Act amending 2017 Iowa Acts, House File 517,<sup>26</sup> section 50, subsection 1, applies retroactively to April 13, 2017.

#### DIVISION VI MERCHANT LINES

Sec. 55. Section 6A.21, subsection 1, Code 2017, is amended by adding the following new paragraph:

NEW PARAGRAPH. 0a. "Aboveground merchant line" means "merchant line" as defined in [section 478.6A, subsection 1](#), excluding those merchant lines that are underground.

Sec. 56. Section 6A.21, subsection 1, paragraph b, Code 2017, is amended to read as follows:

b. "Private development purposes" means the construction of, or improvement related to, recreational trails, recreational development paid for primarily with private funds,

<sup>21</sup> Chapter 69 herein

<sup>22</sup> Chapter 69 herein

<sup>23</sup> Chapter 69 herein

<sup>24</sup> Chapter 69 herein

<sup>25</sup> Chapter 69 herein

<sup>26</sup> Chapter 69 herein

aboveground merchant lines, housing and residential development, or commercial or industrial enterprise development.

Sec. 57. Section 6A.21, subsection 2, Code 2017, is amended to read as follows:

2. The limitation on the definition of public use, public purpose, or public improvement does not apply to the establishment, relocation, or improvement of a road pursuant to [chapter 306](#), or to the establishment of a railway under the supervision of the department of transportation as provided in [section 327C.2](#), or to an airport as defined in [section 328.1](#), or to land acquired in order to replace or mitigate land used in a road project when federal law requires replacement or mitigation. This limitation also does not apply to utilities, persons, companies, or corporations under the jurisdiction of the Iowa utilities board in the department of commerce or to any other utility conferred the right by statute to condemn private property or to otherwise exercise the power of eminent domain, except to the extent such purpose includes construction of aboveground merchant lines.

Sec. 58. Section 6A.22, subsection 2, paragraph a, subparagraph (2), Code 2017, is amended to read as follows:

(2) The acquisition of any interest in property necessary to the function of a public or private utility to the extent such purpose does not include construction of aboveground merchant lines, common carrier, or airport or airport system.

Sec. 59. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 60. APPLICABILITY. This division of this Act applies to projects or condemnation proceedings commenced on or after the effective date of this division of this Act.

#### DIVISION VII VAPOR AND ALTERNATIVE NICOTINE PRODUCTS — TAX

Sec. 61. Section 453A.1, Code 2017, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. “Delivery sale” means any sale of an alternative nicotine product or a vapor product to a purchaser in this state where the purchaser submits the order for such sale by means of a telephonic or other method of voice transmission, mail or any other delivery service, or the internet or other online service and the alternative nicotine product or vapor product is delivered by use of mail or a delivery service. The sale of an alternative nicotine product or vapor product shall constitute a delivery sale regardless of whether the seller is located in this state. “Delivery sale” does not include a sale to a distributor or retailer of any alternative nicotine product or vapor product not for personal consumption.

Sec. 62. Section 453A.1, subsection 20, Code 2017, is amended to read as follows:

20. “*Place of business*” is construed to mean and include any place where cigarettes are sold or where cigarettes are stored within or without the state of Iowa by the holder of an Iowa permit or kept for the purpose of sale or consumption; or if sold from any vehicle or train, the vehicle or train on which or from which such cigarettes are sold shall constitute a place of business; or for a business within or without the state that conducts delivery sales, any place where alternative nicotine products or vapor products are sold or where alternative nicotine products or vapor products are kept for the purpose of sale.

Sec. 63. Section 453A.13, subsection 1, Code 2017, is amended to read as follows:

1. *Permits required.* Every distributor, wholesaler, cigarette vendor, and retailer, now engaged or who desires to become engaged in the sale or use of cigarettes, upon which a tax is required to be paid, and every retailer now engaged or who desires to become engaged in selling, offering for sale, or distributing alternative nicotine products or vapor products, including through delivery sales, shall obtain a state or retail permit as a distributor, wholesaler, cigarette vendor, or retailer, as the case may be.

Sec. 64. Section 453A.13, subsection 2, paragraph a, Code 2017, is amended to read as follows:

a. The department shall issue state permits to distributors, wholesalers, and cigarette vendors and retailers that make delivery sales of alternative nicotine products and vapor products subject to the conditions provided in [this division](#). If an out-of-state retailer makes delivery sales of alternative nicotine products or vapor products, an application shall be filed with the department and a permit shall be issued for the out-of-state retailer's principal place of business. Cities may issue retail permits to ~~dealers~~ retailers with a place of business located within their respective limits. County boards of supervisors may issue retail permits to ~~dealers~~ retailers with a place of business in their respective counties, outside of the corporate limits of cities.

Sec. 65. Section 453A.42, Code 2017, is amended by adding the following new subsection:

**NEW SUBSECTION. 2A.** *“Delivery sale”* means any sale of an alternative nicotine product or a vapor product to a purchaser in this state where the purchaser submits the order for such sale by means of a telephonic or other method of voice transmission, mail or any other delivery service, or the internet or other online service and the alternative nicotine product or vapor product is delivered by use of mail or a delivery service. The sale of an alternative nicotine product or vapor product shall constitute a delivery sale regardless of whether the seller is located in this state. *“Delivery sale”* does not include a sale to a distributor or retailer of any alternative nicotine product or vapor product not for personal consumption.

Sec. 66. Section 453A.42, subsection 8, Code 2017, is amended to read as follows:

8. *“Place of business”* means any place where tobacco products are sold or where tobacco products are manufactured, stored, or kept for the purpose of sale or consumption, including any vessel, vehicle, airplane, train, or vending machine; or for a business within or without the state that conducts delivery sales, any place where alternative nicotine products or vapor products are sold or where alternative nicotine products or vapor products are kept for the purpose of sale, including delivery sales.

Sec. 67. Section 453A.47A, subsections 1, 3, and 6, Code 2017, are amended to read as follows:

1. *Permits required.* A person shall not engage in the business of a retailer of tobacco, tobacco products, alternative nicotine products, or vapor products at any place of business, or through delivery sales, without first having received a permit as a retailer.

3. *Number of permits.* An application shall be filed and a permit obtained for each place of business owned or operated by a retailer located in the state. If an out-of-state retailer makes delivery sales of alternative nicotine products or vapor products, an application shall be filed with the department and a permit shall be issued for the out-of-state retailer's principal place of business.

6. *Issuance.* Cities ~~shall~~ may issue retail permits to retailers located within their respective limits. County boards of supervisors ~~shall~~ may issue retail permits to retailers located in their respective counties, outside of the corporate limits of cities. The city or county shall submit a duplicate of any application for a retail permit and any retail permit issued by the entity under [this section](#) to the alcoholic beverages division of the department of commerce within thirty days of issuance. The alcoholic beverages division of the department of commerce shall submit the current list of all retail permits issued to the Iowa department of public health by the first day of each quarter of a state fiscal year.

Sec. 68. **NEW SECTION. 453A.47B Requirements for mailing or shipping — alternative nicotine products or vapor products.**

A retailer shall not mail, ship, or otherwise cause to be delivered any alternative nicotine product or vapor product in connection with a delivery sale unless all of the following apply:

1. Prior to sale to the purchaser, the retailer verifies that the purchaser is at least eighteen years of age through or by one of the following:

a. A commercially available database, or aggregate of databases, that is regularly used by government and businesses for the purpose of age and identity verification.

b. Obtaining a copy of a valid government-issued document that provides the name, address, and date of birth of the purchaser.

2. The retailer uses a method of mailing, shipping, or delivery that requires the signature of a person who is at least eighteen years of age before the shipping package is released to the purchaser.

Sec. 69. NEW SECTION. 453A.47C Sales and use tax on delivery sales — alternative nicotine products or vapor products.

1. A delivery sale of alternative nicotine products or vapor products within this state shall be subject to the sales tax provided in [chapter 423, subchapter II](#).

2. The use in this state of alternative nicotine products or vapor products purchased for use in this state through a delivery sale shall be subject to the use tax provided in [chapter 423, subchapter III](#).

3. A retailer required to possess or possessing a permit under [section 453A.13](#) or [453A.47A](#) to make delivery sales of alternative nicotine products or vapor products within this state shall be deemed to have waived all claims that such retailer lacks physical presence within this state for purposes of collecting and remitting sales and use tax.

4. A retailer making taxable delivery sales of alternative nicotine products or vapor products within this state shall remit to the department all sales and use tax due on such sales at the times and in the manner provided by [chapter 423](#).

5. The director shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

DIVISION VIII  
NATIONAL JUNIOR ANGUS SHOW

Sec. 70. 2015 Iowa Acts, chapter 132, section 25, as amended by 2016 Iowa Acts, chapter 1134, section 2, is amended to read as follows:

SEC. 25. UNCLAIMED PARI-MUTUEL WAGERING WINNINGS — HORSE AND DOG RACING. There is appropriated from the moneys available under [section 99D.13](#) to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For purposes of supporting the department’s administration and enforcement of horse and dog racing law pursuant to [section 99D.22](#), including for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 295,516

2. a. For allocation to the Iowa junior angus association in connection with the 2016 2017 national junior angus show:

..... \$ 10,000

b. Notwithstanding [section 8.33](#), moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used to support the purpose designated in paragraph “a” until the close of the succeeding fiscal year.

Sec. 71. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 12, 2017