

**CHAPTER 1200**

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

*H.F. 2800*

**AN ACT** relating to state and local government and finances, including by making, modifying, limiting, or reducing appropriations, distributions, or transfers, authorizing expenditure of unappropriated moneys in special funds, making corrections, and providing for properly related matters including the national electrical code, local civil rights laws, political party state central committees, noxious weeds, nonresident deer hunting licenses, proprietary treatment systems, poultry associations, tax credits, alternative nicotine and vapor products, public assistance programs, judicial branch and county attorney salaries, civil litigation abuse, human trafficking, federal grants and loans notifications, quarterly payments to area education agencies, civic proficiency in higher education, charter schools under the Iowa public employees’ retirement system, school district incentives, extracurricular interscholastic eligibility, and levy increases, 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 2026-2027.** Notwithstanding the standing appropriation in the following designated section for the fiscal year beginning July 1, 2026, and ending June 30, 2027, 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 2026-2027.** In lieu of the appropriation provided in section 257.20, subsection 2, the appropriation for the fiscal year beginning July 1, 2026, and ending June 30, 2027, for paying instructional support state aid under section 257.20 for the fiscal year is zero.

Sec. 3. **DEPARTMENT OF WORKFORCE DEVELOPMENT — USE OF FEDERAL INCENTIVE PAYMENTS — FY 2025-2026 — FY 2026-2027.** For the fiscal year beginning July 1, 2025, and the fiscal year beginning July 1, 2026, the department of workforce development may use up to \$12,000,000 from incentive payments made to the state pursuant to the federal Assistance for Unemployed Workers and Struggling Families Act, Pub. L. No. 111-5, Div. B, Tit. II, pursuant to a special transfer under section 903 of the federal Social Security Act, for administration of the unemployment compensation insurance program and for unemployment compensation insurance systems modernization.

*\*Sec. 4. DEPARTMENT OF HEALTH AND HUMAN SERVICES INFORMATION TECHNOLOGY FUND — TRANSFERS. On July 1, 2026, all of the following shall be transferred to the information technology fund created in section 217.25:*

*1. The unencumbered and unobligated balance, including all interest and earnings*

---

\*Item veto; see message at end of the Act

thereon, of the Iowa coronavirus fiscal recovery fund created in section 8.57G.

2. The unencumbered and unobligated balance, including all interest and earnings thereon, of moneys available to the state pursuant to the federal Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136.\*

**\*Sec. 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES INFORMATION TECHNOLOGY FUND — APPROPRIATIONS.**

1. There is appropriated from the information technology fund created in section 217.25 to the department of health and human services for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

- a. For the Medicaid management information system:
 

	\$ 31,000,000
--	---------------
- b. For the eligibility determination for essential needs information technology modernization project:
 

	\$ 30,500,000
--	---------------
- c. For information technology projects associated with child support services:
 

	\$ 34,000,000
--	---------------
- d. (1) For information technology costs associated with implementation of 2023 Iowa Acts, chapter 104, and 2026 Iowa Acts, Senate File 2422, if enacted:
 

	\$ 5,000,000
--	--------------

(2) The appropriation in this paragraph shall be used to implement 2023 Iowa Acts, chapter 104, if 2026 Iowa Acts, Senate File 2422, is not enacted.

2. Following the appropriations in subsection 1, the remaining balance of the information technology fund created in section 217.25 is appropriated to the department of health and human services for the fiscal year beginning July 1, 2026, and ending June 30, 2027, to be used for the Medicaid management information system.

3. Moneys appropriated in this section shall not be used for maintenance, operations, staffing, or other corporate technology needs of the department.\*

Sec. 6. SPECIAL FUNDS — SALARY ADJUSTMENTS — FY 2026-2027. For the fiscal year beginning July 1, 2026, and ending June 30, 2027, 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. 7. Section 8.57I, subsection 3, Code 2026, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. (1) For the fiscal year beginning July 1, 2026, and each fiscal year thereafter, there is appropriated from the sports wagering receipts fund to the department of health and human services one million dollars to provide a grant to the Iowa healthiest state initiative to support the double up food bucks program to make fresh fruits and vegetables sold at farmers markets, grocery stores, and other participating locations accessible to individuals and families who reside in this state and receive assistance through the federal supplemental nutrition assistance program.

(2) A grant recipient that receives funding pursuant to this paragraph shall provide at least a dollar-for-dollar match of the grant assistance.

(3) Subsections 5 and 6 do not apply to moneys appropriated under this paragraph.

Sec. 8. Section 84F1, subsection 6, paragraph b, Code 2026, is amended to read as follows:

\*Item veto; see message at end of the Act

b. Notwithstanding section 8.33, moneys appropriated to the department by the general assembly for purposes of this section that remain unencumbered or unobligated at the end close of the fiscal year shall not revert to the ~~general fund~~ but shall remain available for expenditure for the ~~purposes designated~~ in subsequent fiscal years by the department to operate and manage the Iowa office of apprenticeship established in section 84D.3 or for other apprenticeship activities deemed appropriate by the department, not subject to the limitation set forth in paragraph “a”.

Sec. 9. Section 84F.2, subsection 7, paragraph b, Code 2026, is amended to read as follows:

b. Notwithstanding section 8.33, moneys appropriated to the department by the general assembly for purposes of this section that remain unencumbered or unobligated at the end close of the fiscal year shall not revert to the ~~general fund~~ but shall remain available for expenditure for the ~~purposes designated~~ in subsequent fiscal years by the department to operate and manage the Iowa office of apprenticeship established in section 84D.3 or for other apprenticeship activities deemed appropriate by the department, not subject to the limitation set forth in paragraph “a”.

Sec. 10. Section 257.35, subsection 2, Code 2026, is amended by striking the subsection and inserting in lieu thereof the following:

2. The amounts specified for school districts in section 257.10, subsection 7, for the fiscal year beginning July 1, 2026, and each succeeding fiscal year, shall be reduced by the department of management by thirty-two 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 would otherwise have received under section 257.10, subsection 7. For the fiscal year beginning July 1, 2027, and each fiscal year thereafter, from the reduction under this subsection for that fiscal year there is appropriated ten million dollars to the department of education for division of special education general supervision, oversight, compliance, employee salaries, support, maintenance, and miscellaneous purposes within the area education agency regions and the department of education main office.

Sec. 11. Section 257.35, subsections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20, Code 2026, are amended by striking the subsections.

Sec. 12. EFFECTIVE DATE. The following, being deemed of immediate importance, takes effect upon enactment:

The section of this division of this Act providing for the use of federal incentive payments by the department of workforce development.

## DIVISION II CORRECTIVE PROVISIONS

Sec. 13. Section 135.61, subsection 16, paragraph a, subparagraph (1), subparagraph divisions (a) and (b), if enacted by 2026 Iowa Acts, House File 2635, section 14, are amended to read as follows:

(a) Beginning on or after January 1, 2027, and before ~~December 31, 2031~~, January 1, 2032, four million dollars.

(b) Beginning on or after January 1, 2032, and before ~~December 31, 2036~~, January 1, 2037, four million five hundred thousand dollars.

Sec. 14. Section 135.61, subsection 16, paragraph c, subparagraphs (1) and (2), if enacted by 2026 Iowa Acts, House File 2635, section 14, are amended to read as follows:

(1) Beginning on or after January 1, 2027, and before ~~December 31, 2031~~, January 1, 2032, four million dollars.

(2) Beginning on or after January 1, 2032, and before ~~December 31, 2036~~, January 1, 2037, four million five hundred thousand dollars.

Sec. 15. Section 135.61, subsection 16, paragraph e, subparagraph (1), subparagraph divisions (a) and (b), if enacted by 2026 Iowa Acts, House File 2635, section 14, are amended to read as follows:

(a) Beginning on or after January 1, 2027, and before ~~December 31, 2031~~, January 1, 2032, four million dollars.

(b) Beginning on or after January 1, 2032, and before ~~December 31, 2036~~, January 1, 2037, four million five hundred thousand dollars.

Sec. 16. Section 135.61, subsection 16, paragraph f, subparagraph (1), subparagraph divisions (a) and (b), if enacted by 2026 Iowa Acts, House File 2635, section 14, are amended to read as follows:

(a) Beginning on or after January 1, 2027, and before ~~December 31, 2031~~, January 1, 2032, four million dollars.

(b) Beginning on or after January 1, 2032, and before ~~December 31, 2036~~, January 1, 2037, four million five hundred thousand dollars.

Sec. 17. Section 135C.6, subsection 1, paragraph b, as enacted by 2026 Iowa Acts, Senate File 572, section 2, is amended to read as follows:

b. A supported community living service, as defined in section ~~225C.21~~ 249A.38B, is not required to be licensed under this chapter, but is subject to approval under section ~~225C.21~~ 249A.38B in order to receive public funding.

Sec. 18. Section 135S.1, subsection 2, if enacted by 2026 Iowa Acts, House File 571, section 2, is amended to read as follows:

2. “*Discrimination*” means an adverse action, including but not limited to any penalty, disciplinary, or retaliatory action taken against, or a threat of adverse action communicated to, a medical practitioner or health care institution as a result of the refusal of the medical practitioner or health care institution to participate in a health care service on the basis of conscience. “*Discrimination*” ~~not~~ does not include the negotiation or purchase of insurance or a health care service by a nongovernmental entity or individual, the refusal to use or purchase insurance or a health care service by a nongovernmental entity or individual, or a health care institution’s good-faith effort to accommodate a medical practitioner’s or health care institution’s exercise of conscience.

Sec. 19. Section 135S.2, subsection 1, paragraph a, if enacted by 2026 Iowa Acts, House File 571, section 3, is amended to read as follows:

a. A medical practitioner or health care institution has the right not to participate in or pay for a health care service that violates the medical practitioner’s or health care institution’s conscience. A medical practitioner shall inform the medical practitioner’s employer of the nature of the ~~medical’s~~ medical practitioner’s objection based on the practitioner’s conscience. This paragraph shall not be construed to waive or modify a duty a medical practitioner or health care institution may have to participate in a health care service that does not violate the medical practitioner’s conscience.

Sec. 20. 2026 Iowa Acts, House File 2562, section 10, if enacted, is amended by striking the section and inserting in lieu thereof the following:

SEC. 10. Section 144H.1, subsection 6, as enacted in section 1 of this Act, is amended by striking the subsection and inserting in lieu thereof the following:

6. “*Person authorized to consent*” means an individual, in the same order of priority prescribed in section 144A.7, subsection 1, paragraph “b”, who shall be guided by the express or implied intentions of the patient and who is reasonably available, willing, and competent to consent, refuse to consent, or withdraw consent on a patient’s behalf.

Sec. 21. Section 148.11A, subsection 2, paragraph b, as enacted by 2026 Iowa Acts, Senate File 2184, section 3, is amended to read as follows:

b. The board shall adopt rules pursuant to chapter 17A to set the term of an administrative medicine license, but shall not require an administrative medicine license

to be renewed more often than once every three years. An administrative medicine license shall expire on the licensee's birthday.

Sec. 22. Section 256C.4, subsection 1A, paragraph b, if enacted by 2026 Iowa Acts, House File 2754, section 87, is amended to read as follows:

b. For the fiscal year beginning July 1, ~~2025~~ 2026, and each succeeding fiscal year, of the amount of state preschool funding received by a community-based provider approved to directly participate in the preschool program for a fiscal year, not more than five percent may be used by the community-based provider for administering the approved local program. Outreach activities and rent for facilities not owned by the community-based provider are permissive uses of the administrative funds.

Sec. 23. Section 280.37, subsection 3, if enacted by 2026 Iowa Acts, Senate File 2086, section 4, is amended to read as follows:

3. If the board of directors of a school district or the authorities in charge of an accredited nonpublic school offer the elective junior fire fighter program, then the board of directors of the school district or the authorities in charge of the accredited nonpublic school shall coordinate with a local fire department to ensure students are provided with the appropriate materials and training to successfully complete all components necessary for ~~fire-fighter~~ firefighter I certification, including the written certification examination and the practical certification examination.

Sec. 24. Section 280.37, subsection 4, paragraph a, if enacted by 2026 Iowa Acts, Senate File 2086, section 4, is amended to read as follows:

a. Be designed to prepare students to sit for certification testing from the fire service training bureau for ~~fire-fighter~~ firefighter I certification.

Sec. 25. Section 307.22A, subsection 6, if enacted by 2026 Iowa Acts, House File 2667, section 2, is amended to read as follows:

6. The statewide urban design and specifications board shall publish on the Iowa state university of science and technology's internet site an analysis of any changes made to the statewide urban design and specifications manuals and provide an estimate of expected cost variations that are likely to be incurred, if any, by implementing the changes.

Sec. 26. Section 452A.33, subsection 1, paragraph c, subparagraph (2), Code 2026, as amended by 2026 Iowa Acts, House File 2643, section 5, is amended to read as follows:

(2) (a) If a retail dealer fails to file a timely filed report as required by this subsection or fails to maintain records required to file the report, the department may impose a civil penalty of not more than one hundred dollars per occurrence in addition to any other penalty provided by law. The penalty amount shall be deposited into the general fund of the state.

(b) A retail dealer who fails to ~~timely~~ file a timely filed report as required by this subsection for the latest determination period ending on or before the last day of the retail dealer's tax year is also ineligible to claim any tax credit available under section 422.11O, 422.11P, or 422.11Y for the tax year.

Sec. 27. Section 514F.8D, subsection 5, if enacted by 2026 Iowa Acts, House File 2635, section 4, is amended to read as follows:

5. The commissioner of insurance may adopt rules pursuant to chapter 17A to administer and enforce this section.

Sec. 28. Section 537C.9, as enacted by 2026 Iowa Acts, House File 2497, section 9, is amended to read as follows:

**537C.9 Program agreement — approved parties.**

1. A program shall only enter into a program agreement with the following persons:

~~1.~~ a. A resident of this state who holds a driver's license issued in this state that authorizes the person to operate a vehicle of the class of the shared vehicle that is the subject of the program agreement.

~~2.~~ b. A nonresident of this state who holds a driver's license issued by the state or

country of the person's residence that authorizes the person to operate a vehicle of the class of the shared vehicle that is the subject of the program agreement, and is at least the minimum age required by this state to operate a vehicle of that class.

3. c. A person who is specifically authorized by this state to operate a vehicle of the class of the shared vehicle that is the subject of the program agreement.

4. 2. A program shall keep permanent records of all of the following:

a. The names and address of each shared vehicle driver.

b. The driver's license number and place of issuance of each shared vehicle driver, and any other person who may operate a shared vehicle under a program agreement.

Sec. 29. Section 910.2, subsection 3, as enacted by 2026 Iowa Acts, House File 2697, section 1, is amended to read as follows:

3. Notwithstanding any other statute or rule of law, with the consent of the defendant and the prosecuting attorney, the court may order as part of the dismissal of a public offense or violation of an ordinance that the defendant pay pecuniary damages to the victim; and category "B" restitution, which shall include court costs.

Sec. 30. 2026 Iowa Acts, House File 2739, section 13, is amended to read as follows:

SEC. 13. TEMPORARY PROVISIONS FOR THE HEALTH CARE-RELATED TAX AND PREPAYMENTS FOR CALENDAR YEAR 2026. Notwithstanding section 432B.2, subsection 1, if enacted by this division of this Act, each health care maintenance organization transacting business in this state shall be subject to a health care-related tax payable to the director of revenue in an amount equal to three and one-half percent of the applicable percentage of taxable funds as defined in section 432B.1, if enacted by this division of this Act, for the period in calendar year beginning January 1, 2026, and ending September 30, 2026. The difference between the amount of taxes collected pursuant to this section and the amount of tax that would be collected by imposing the rate under section 432B.2, subsection 1, if enacted by this division of this Act, shall not be subject to prepayment under section 432B.3, subsection 1 2, if enacted by this division of this Act.

Sec. 31. 2026 Iowa Acts, House File 2757, sections 5 and 6, if enacted, are amended to read as follows:

SEC. 5. APPLICABILITY. Except as otherwise provided, this Act applies to tangible personal property or specified digital ~~projects~~ products sold to or of services furnished to a nuclear electric generation facility when permissible under section 423.3, subsection 111, paragraph "c", if enacted by this Act.

SEC. 6. RETROACTIVE APPLICABILITY. This Act applies retroactively to January 1, 2026, for tangible personal property or specified digital ~~projects~~ products sold to or of services furnished to a nuclear electric generation facility that is undertaking an activity described in section 423.3, subsection 111, paragraph "a", subparagraph (1), subparagraph subdivision (i), if enacted by this Act.

Sec. 32. EFFECTIVE DATE. The following, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act amending section 256C.4, subsection 1A, paragraph "b".

2. The section of this division of this Act amending 2026 Iowa Acts, House File 2739, section 13.

Sec. 33. RETROACTIVE APPLICABILITY. The following applies retroactively to the effective date of 2026 Iowa Acts, House File 2754, if enacted:

The section of this division of this Act amending section 256C.4, subsection 1A, paragraph "b".

Sec. 34. RETROACTIVE APPLICABILITY. The following applies retroactively to January 1, 2026, for tax years beginning on or after that date:

The section of this division of this Act amending 2026 Iowa Acts, House File 2739, section 13.

DIVISION III  
NATIONAL ELECTRICAL CODE

Sec. 35. Section 103.1, Code 2026, is amended by adding the following new subsection:  
**NEW SUBSECTION. 12A.** “*National electrical code*” means the national electrical code, 2023 edition, published by the national fire protection association, as modified by section 103.1B, and excluding sections 210.52(C)(3), 230.67, and 406.4(D)(4) of the national electrical code, 2023 edition.

Sec. 36. **NEW SECTION. 103.1B National electrical code — alterations.**

For purposes of the national electrical code:

1. *Dwelling units.* Section 210.8(A) of the national electrical code, 2023 edition, is amended by requiring that one hundred twenty-five volt through two hundred fifty volt receptacles supplied by single-phase branch circuits rated one hundred fifty volts or less to ground installed in a kitchen only require ground-fault circuit interrupter protection for personnel where receptacles are installed to serve the countertop surfaces and by striking section 210.8(A)(7) of the national electrical code, 2023 edition. In lieu of basements, section 210.8(A) of the national electrical code, 2023 edition, shall apply to unfinished portions or areas of the basement not intended as habitable rooms.

2. *Arc-fault circuit interrupters.* Notwithstanding section 210.12(B) of the national electrical code, 2023 edition, arc-fault circuit interrupters shall not be required for one-family and two-family dwellings and townhouses, and section 210.12(B) of the national electrical code, 2023 edition, shall not apply to kitchens or laundry areas.

3. *Kitchen receptacles on islands and peninsulas.* In lieu of the requirements of section 210.52(C)(2) of the national electrical code, 2023 edition, an electrical provision or at least one receptacle shall be installed at each island and peninsular countertop space with a long dimension of six hundred millimeters, or twenty-four inches, or greater and a short dimension of three hundred millimeters, or twelve inches, or greater, with a peninsular countertop being measured from the connected perpendicular wall.

4. *Load calculations.* With respect to section 220.5(C) of the national electrical code, 2023 edition, the calculated floor area of a dwelling unit shall additionally exclude garages.

5. *Ceiling outlets.* In addition to the requirements of section 314.27(A)(2) of the national electrical code, 2023 edition, outlet boxes mounted in the ceilings of family rooms, living rooms, parlors, libraries, dens, bedrooms, sunrooms, recreation rooms, and similar areas of dwelling occupancies, and located in an area of the ceiling typical for the installation of a ceiling-suspended paddle fan shall be installed to accommodate a ceiling-suspended paddle fan in accordance with section 314.27(C) of the national electrical code, 2023 edition.

6. *Boxes at ceiling-suspended paddle fan outlets.* In lieu of the second paragraph of section 314.27(C) of the national electrical code, 2023 edition, where a ceiling-suspended paddle fan is not installed, the outlet box shall comply with either section 314.27(C)(1) or 314.27(C)(2) of the national electrical code, 2023 edition.

7. *Receptacles near bathtub and shower spaces.* In lieu of the requirements of and exceptions to section 406.9(C) of the national electrical code, 2023 edition, receptacles shall not be installed within or directly over a bathtub or shower stall.

8. *Ground-fault circuit interrupters.* Ground-fault circuit interrupter protection is not required for receptacles that serve sump pumps or refrigerators.

Sec. 37. **NEW SECTION. 103.1C Electrical code — amendments — limitations.**

1. A political subdivision shall not adopt a local electrical code that is more restrictive than the national electrical code.

2. Prior to adopting any changes to the national electrical code pursuant to section 103.6, including but not limited to by adopting the national electrical code, 2026 edition, published by the national fire protection association, the board shall conduct an analysis of the cost to consumers of any significant changes to the national electrical code. The analysis shall be submitted to the administrative rules coordinator and the administrative

code editor for publication in the Iowa administrative bulletin along with the notice of intended action.

Sec. 38. FUTURE REPEAL. Section 103.1, subsection 12A, and section 103.1B, as enacted by this division of this Act, are repealed effective upon the adoption of the national electrical code, 2026 edition, published by the national fire protection association, by the electrical examining board. The electrical examining board shall inform the Iowa Code editor upon the adoption of the national electrical code, 2026 edition.

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

#### DIVISION IV LOCAL LAWS — CIVIL RIGHTS

Sec. 40. Section 216.19, subsection 1, unnumbered paragraph 1, Code 2026, as amended by 2026 Iowa Acts, Senate File 579, section 1, is amended to read as follows:

All cities shall, to the extent possible, protect the rights of the citizens of this state secured by the Iowa civil rights Act. A city or local government shall not enact or enforce any ordinance or other law which is broader or has different categories of unfair or discriminatory practices than those provided in this chapter. Nothing in this chapter shall be construed as indicating any of the following:

#### DIVISION V POLITICAL PARTY STATE CENTRAL COMMITTEES

Sec. 41. Section 43.111, subsections 1 and 3, Code 2026, are amended to read as follows:

1. a. The state convention held by each political party pursuant to section 43.107 shall adopt a state platform, adopt or amend a state party constitution, and bylaws if desired, and transact other business which may properly be brought before it. A copy of the constitution and any bylaws so adopted or amended shall be kept on file in the office of the state commissioner.

b. A state party constitution or bylaws shall not prohibit an elected official from serving on a state party central committee.

3. a. The state central committee so selected may organize at pleasure for political work as is usual and customary with such committees, adopt bylaws, provide for the governing of party auxiliary bodies, and shall continue to act until succeeded by another central committee selected as required by this section. The receipts and disbursements of each political party's state party central committee shall be audited annually by a certified public accountant selected by the state party central committee and the audit report shall be filed with the state commissioner.

b. Each political party's state central committee shall elect a chairperson, co-chairperson or vice chairperson, treasurer, and secretary.

#### DIVISION VI NOXIOUS WEEDS

Sec. 42. Section 317.1A, subsection 1, paragraph a, Code 2026, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (13) Japanese knotweed (*Fallopia japonica*).

#### DIVISION VII IOWA STATE FAIR FOUNDATION — NONRESIDENT DEER HUNTING LICENSE

Sec. 43. Section 483A.24, subsection 3, unnumbered paragraph 1, Code 2026, is amended to read as follows:

The director shall provide up to one hundred ~~twenty-five~~ twenty-six nonresident deer hunting licenses for allocation as provided in this subsection.

Sec. 44. Section 483A.24, subsection 3, Code 2026, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. One nonresident deer hunting license shall be allocated as determined by the Iowa state fair foundation established pursuant to section 173.22.

DIVISION VIII  
PROPRIETARY TREATMENT SYSTEMS

Sec. 45. NEW SECTION. 455B.241 Definitions.

As used in this part 3 of subchapter III, unless the context otherwise requires:

1. “*Certified technician*” means a person who is certified in accordance with the manufacturer to monitor, maintain, and inspect a proprietary treatment system.

2. “*Proprietary treatment system*” means a system that is certified by an ANSI-accredited third-party certifier, including certification meeting standard NSF/ANSI40 for effluent from class I systems.

Sec. 46. NEW SECTION. 455B.242 Monitoring and maintenance requirements.

1. A proprietary treatment system shall be inspected, monitored, and maintained by the certified technician in accordance with the manufacturer’s specifications.

2. All maintenance and visual inspections of a proprietary treatment system shall be performed by a certified technician. A manufacturer-certified technician shall report results, as provided in section 455B.243, to the system owner and to the applicable administrative authority within thirty days following the inspection. The certified technician shall also report any discontinuance or proprietary treatment system maintenance to the applicable administrative authority. If the applicable administrative authority is not the department, the administrative authority must also submit the information to the department in the form and manner prescribed by the department.

Sec. 47. NEW SECTION. 455B.243 Reporting.

1. A maintenance and visual inspection report for a proprietary treatment system, as required under section 455B.242, that was installed on or after January 1, 2018, shall record at least all of the following information:

- a. The date of the inspection.
- b. The manufacturer and model of the proprietary treatment system.
- c. Any sign of equipment malfunction, the cause or potential cause of the malfunction, and any corrective action taken.
- d. Results of effluent testing if the proprietary treatment system is subject to national pollution discharge elimination system general permit number four for private sewage disposal systems.

e. If the proprietary treatment system appears to be functioning incorrectly, the primary cause or causes for the deficiency, including but not limited to any of the following:

- (1) Improper design.
- (2) Improper installation.
- (3) Lack of required maintenance.
- (4) Improper operation or malfunction.
- (5) Other damages or conditions contributing to the malfunction that require a repair or replacement.

f. Whether the proprietary treatment system required repair outside of scheduled maintenance intervals, including the reason for the repair and whether the system was in a failed state at the time of repair.

g. Any action taken to bring the proprietary treatment system back into operation as designed.

h. Maintenance records as required by the manufacturer’s warranty for the proprietary treatment system.

2. The completed report shall be submitted to the department by the certified technician in the form and manner prescribed by the department.

3. The department shall compile the information submitted pursuant to this section and shall maintain a publicly accessible database summarizing inspection outcomes and

unscheduled failures or repairs. The information in the database shall include the name of the proprietary treatment system, product name, and model design. The database shall not include personally identifiable information.

4. The department shall not assess any fees associated with the receipt or collection of reports required under this section.

**Sec. 48. NEW SECTION. 455B.244 Rulemaking authority.**

The department may adopt rules as necessary to administer this part.

**Sec. 49. DEPARTMENT OF NATURAL RESOURCES — PROPRIETARY TREATMENT SYSTEM REVIEW AND REPORT.**

1. The department of natural resources shall review the information regarding proprietary treatment systems, as defined in section 455B.241, as enacted by this division of this Act, reported to the department pursuant to section 455B.243, as enacted by this division of this Act.

2. The department shall review the information submitted in annual inspection and maintenance reports, including proprietary treatment system functionality, causes of deficiencies, and maintenance practices. The department shall also review any other data the department determines relevant to evaluating system performance.

3. The review shall include analysis of inspection, monitoring, and maintenance data collected from July 1, 2026, to December 1, 2028, for purposes of evaluating the performance, reliability, maintenance needs, and common causes of malfunction of proprietary treatment systems.

4. The department shall submit to the general assembly on or before January 10, 2029, a report detailing the department's findings and recommendations.

**Sec. 50. APPLICABILITY.** This division of this Act applies to the inspection, monitoring, and maintenance of proprietary treatment systems, as defined in section 455B.241, as enacted by this division of this Act, performed on or after July 1, 2026.

**DIVISION IX  
POULTRY ASSOCIATION**

**Sec. 51.** Section 163.3C, subsection 1, paragraph f, Code 2026, is amended to read as follows:

*f.* The Iowa north central poultry association or its successor organization.

**Sec. 52.** Section 165B.5, subsection 2, paragraph e, Code 2026, is amended to read as follows:

*e.* An event sponsored or sanctioned by the Iowa turkey marketing council, the Iowa turkey federation, the national turkey federation, the Iowa north central poultry association or its successor organization, the Iowa egg council, the American egg board, or the American poultry association.

**Sec. 53.** Section 184.2, subsection 4, Code 2026, is amended to read as follows:

4. Immediately after passage of the question at the referendum, the secretary shall appoint seven members to the council in accordance with section 184.6 based on nominations made by the Iowa north central poultry association or its successor organization. The association shall nominate and the secretary shall appoint two members representing large producers, two members representing medium producers, and three members representing small producers. The department, in consultation with the association, shall determine initial classifications for small, medium, and large producers. The secretary shall complete the appointments within thirty days following passage of the question at the referendum.

**Sec. 54.** Section 267.2, subsection 2, paragraph d, Code 2026, is amended to read as follows:

*d.* One poultry producer appointed by the north central poultry association, or its successor organization, who shall serve an initial term of two years.

\*DIVISION X  
HEALTH CARE ACCESS AND INNOVATION TAX CREDIT

*Sec. 55. NEW SECTION. 432.12P Health care access and innovation tax credit.*

1. As used in this section:

a. "Department" means the department of revenue.

b. "Domestic insurer" means the same as defined in section 521A.1.

c. "Eligible taxpayer" means a domestic insurer that files an annual statement pursuant to section 508.11, completes the national association of insurance commissioner's health statement test, and has policies in force issued pursuant to chapter 513B.

d. "Expenditures" includes programs, payments, or grants.

e. "Health care access and innovation" means expenditures that support one or more of the following:

(1) Improving access to health care services in rural areas in this state.

(2) Value-based payments to a health care provider that provides additional compensation to the health care provider based on evidence-based metrics of the health care provider's patient care or outcomes.

(3) Increasing the interoperability or transparency of health care information to benefit health care consumers and health care providers.

2. The tax imposed under this chapter shall be reduced by a health care access and innovation tax credit authorized in this section for tax years beginning on or after January 1, 2026, but before January 1, 2034.

3. The amount of the health care access and innovation tax credit shall equal twenty-five percent of the expenditures that support health care access and innovation made by an eligible taxpayer.

4. In order to claim the tax credit for a tax year, an eligible taxpayer shall apply to the department in a manner approved by the department, and shall provide any other information related to the tax credit requested. The cumulative value of tax credits claimed in each tax year by applicants shall not exceed three million dollars.

5. The department, in consultation with the department of insurance and financial services, may adopt rules pursuant to chapter 17A to administer this section.

*Sec. 56. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2026, for tax years beginning on or after that date.\**

DIVISION XI  
ALTERNATIVE NICOTINE AND VAPOR PRODUCTS — PEDIATRIC CANCER  
RESEARCH

*Sec. 57. Section 453A.35A, subsection 1, paragraph b, subparagraph (1), if enacted by 2026 Iowa Acts, Senate File 2480, section 3, is amended to read as follows:*

(1) For the fiscal year beginning July 1, 2027, and each fiscal year thereafter, the first three million dollars from the amount of tax collected that is attributable to the additional taxes on alternative nicotine products and vapor products pursuant to section 453A.43A is appropriated from the health care trust fund to the state board of regents for the purpose of conducting pediatric cancer research, and clinical therapy access, and providing physician-scientist leadership at the state university of Iowa stead family children's hospital. Moneys appropriated in this subparagraph shall not be used for administrative or overhead costs, or activities not directly related to the purposes designated in this subparagraph.

*Sec. 58. Section 453A.45, subsection 5, paragraph c, unnumbered paragraph 1, Code 2026, as amended by 2026 Iowa Acts, Senate File 2480, section 8, if enacted, is amended to read as follows:*

c. Common carriers knowingly transporting tobacco products, alternative nicotine

---

\* Item veto; see message at end of the Act

products, or vapor products into this state shall file with the director reports of all such shipments other than those which are delivered to public warehouses of first destination in this state which are licensed under the provisions of chapter 554. Such reports shall be filed electronically with the department on or before the tenth day of each month and shall show with respect to deliveries made in the preceding month all of the following:

Sec. 59. SPORTS WAGERING RECEIPTS FUND — PEDIATRIC CANCER RESEARCH — FY 2026-2027.

1. There is appropriated from the sports wagering receipts fund created in section 8.57I to the state board of regents for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For pediatric cancer research including but not limited to laboratory research and clinical trials at the university of Iowa hospitals and clinics, and for providing therapy access at the state university of Iowa stead family children’s hospital:

..... \$ 3,000,000

2. Moneys appropriated in this section shall not be used for administrative or overhead costs, or activities not directly related to the purposes designated in this section.

3. The state board of regents shall submit a report to the governor and the general assembly by October 1, 2027, detailing how the appropriated moneys were used.

4. Section 8.57I, subsections 5 and 6, do not apply to moneys appropriated in this section.

Sec. 60. CONTINGENT EFFECTIVE DATE. The following take effect January 1, 2027, if 2026 Iowa Acts, Senate File 2480, is enacted:

- 1. The section of this division of this Act amending section 453A.35A.
- 2. The section of this division of this Act amending section 453A.45.

Sec. 61. CONTINGENT EFFECTIVE DATE. The following takes effect July 1, 2026, if 2026 Iowa Acts, Senate File 2480, is enacted:

The section of this division of this Act appropriating moneys from the sports wagering receipts fund.

DIVISION XII  
PUBLIC ASSISTANCE PROGRAMS

Sec. 62. 2026 Iowa Acts, Senate File 2422, if enacted, is amended by adding the following new section:

NEW SECTION. SEC. 2A. CONTINGENT EFFECTIVE DATE. This division of this Act takes effect on the date the department of health and human services implements the supplemental nutrition assistance program and cash assistance eligibility system known as the eligibility determination for essential needs system. The department of health and human services shall notify the Iowa Code editor of the date of implementation on or before that date.

Sec. 63. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XIII  
JUDICIAL BRANCH AND COUNTY ATTORNEY SALARIES

Sec. 64. Section 331.752, subsection 5, Code 2026, is amended to read as follows:

5. The resolution changing the status of a county attorney shall state the initial annual salary to be paid to the county attorney when the full-time or part-time status is effective. The annual salary specified in the resolution shall remain effective until changed as provided in section 331.907. ~~Except in counties having a population of more than two hundred thousand, the annual salary of a full-time county attorney shall be an amount which is between forty-five percent and one hundred percent of the annual salary received by a district court judge.~~

Sec. 65. Section 602.1401, subsections 1 and 5, Code 2026, are amended to read as follows:

1. The supreme court shall establish, and may amend, a personnel system and a pay and benefits plan for judicial officers, the state court administrator, and court employees. The personnel system shall include a designation by position title, classification, and function of each position or class of positions within the judicial branch. Reasonable efforts shall be made to accommodate the individual staffing and management practices of the respective clerks of the district court. The personnel system, in the employment of court employees, shall not discriminate on the basis of race, creed, color, sex, national origin, religion, physical disability, or political party preference. The supreme court, in establishing the personnel system, shall implement the comparable worth directives issued by the state court administrator under section 602.1204, subsection 2. The personnel system shall include the prohibitions against sexual harassment of full-time, part-time, and temporary employees set out in section 19B.12, and shall include a grievance procedure for discriminatory harassment. The personnel system shall develop and distribute at the time of hiring or orientation, a guide that describes ~~for employees~~ the applicable sexual harassment prohibitions and grievance, violation, and disposition procedures. This subsection does not supersede the remedies provided under chapter 216.

5. The pay and benefits plan shall set the compensation and benefits of judicial officers, the state court administrator, and court employees within the funds appropriated by the general assembly.

Sec. 66. Section 602.1502, subsection 1, Code 2026, is amended by striking the subsection.

Sec. 67. Section 602.6808, subsection 1, if enacted by 2026 Iowa Acts, Senate File 639, section 8, is amended to read as follows:

1. A judge of the business court shall receive the annual salary set for a district judge under section ~~602.1501~~ 602.1401.

Sec. 68. Section 602.9104, subsection 1, paragraph a, Code 2026, is amended to read as follows:

a. A judge to whom this article applies shall be paid an amount equal to the basic salary of the judge as set ~~by the general assembly pursuant to section 602.1401~~ reduced by an amount designated as the judge's required contribution to the judicial retirement fund. The amount designated as the judge's required contribution shall be paid by the state in the manner provided in subsection 2.

Sec. 69. Section 602.9204, subsection 1, paragraph a, Code 2026, is amended to read as follows:

a. A judge who retires on or after July 1, 1994, and who is appointed a senior judge under section 602.9203 shall be paid a salary as determined ~~by the general assembly~~ pursuant to section 602.1401.

Sec. 70. Section 602.9303, subsection 1, as enacted by 2026 Iowa Acts, House File 2706, section 30, is amended to read as follows:

1. A magistrate who retires on or after the effective date of this division of this Act, and who is appointed a senior magistrate under section 602.9302, shall be paid a salary as determined ~~by the general assembly~~ pursuant to section 602.1401.

Sec. 71. 2026 Iowa Acts, House File 2769, section 4, if enacted, is amended to read as follows:

SEC. 4. JUDICIAL OFFICER — UNPAID LEAVE. Notwithstanding the annual salary rates for judicial officers established ~~by 2025 Iowa Acts, chapter 158, section 6, pursuant to section 602.1401~~ for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the supreme court may by order place all judicial officers on unpaid leave status on any day employees of the judicial branch are placed on temporary layoff status. The biweekly pay of the judicial officers shall be reduced accordingly for the pay period in which the unpaid

leave date occurred in the same manner as for noncontract employees of the judicial branch. Through the course of the fiscal year, the judicial branch may use an amount equal to the aggregate amount of salary reductions due to the judicial officer unpaid leave days for any purpose other than for judicial salaries.

Sec. 72. REPEAL. 2026 Iowa Acts, House File 2706, sections 35, 36, and 37, are repealed.

Sec. 73. REPEAL. Section 602.1501, Code 2026, is repealed.

Sec. 74. JUDICIAL OFFICERS — CURRENT SALARY RATES SUPERSEDED. For purposes of 2025 Iowa Acts, chapter 158, section 6, subsection 1, this division of this Act shall be deemed as the provision of salary rates for judicial officers by the general assembly for fiscal years subsequent to the fiscal year beginning July 1, 2025.

Sec. 75. EFFECTIVE DATE. This division of this Act takes effect June 19, 2026.

\*DIVISION XIV  
CIVIL LITIGATION ABUSE

Sec. 76. **NEW SECTION. 611.24 Civil litigation abuse — cause of action.**

1. As used in this section:

a. “Civil legal process” means a procedure used in a civil action, including but not limited to filing a petition, issuing a subpoena, noticing a deposition, or seeking an injunction, attachment, or similar relief.

b. “Private party” means an individual, corporation, partnership, or other legal entity that is not acting on behalf of a governmental body.

c. “Ulterior purpose” means using a civil legal process mainly to obtain a result the civil legal process was not intended to achieve, including but not limited to coercing action on an unrelated matter, interfering with employment or business relationships, or causing financial harm through harassment.

2. a. This section applies to the use of civil legal processes by a private party against another private party.

b. This section abrogates the common law cause of action for abuse of process for actions between private parties.

c. This section does not apply to criminal proceedings or to actions involving the state, a political subdivision, or an officer or employee of the state or a political subdivision acting in an official capacity.

3. A private party may bring a civil action for civil litigation abuse against another private party who initiated or caused to be initiated a civil legal process for an ulterior purpose.

4. To prevail in a civil action brought under this section, the plaintiff must prove all of the following:

a. The defendant used a civil legal process against the plaintiff.

b. The civil legal process was used primarily for an ulterior purpose.

c. The defendant engaged in a specific, willful act in use of the civil legal process that was not proper in the regular course of the proceeding.

d. The underlying civil action or proceeding was resolved in favor of the plaintiff bringing the claim under this section.

5. A private party may bring a civil action under this section without showing a special or extraordinary injury. Attorney fees and costs incurred in responding to the misuse of the civil legal process are sufficient to establish injury.

6. A private party found liable under this section is liable for actual damages, as defined in section 714H.2, including reasonable attorney fees and costs.

---

\*Item veto; see message at end of the Act

*Sec. 77. APPLICABILITY. This division of this Act applies to civil actions or proceedings that are resolved on or after the effective date of this division of this Act.\**

DIVISION XV  
HUMAN TRAFFICKING

Sec. 78. Section 232.71B, subsection 1, paragraph a, unnumbered paragraph 1, Code 2026, is amended to read as follows:

If the department determines a report constitutes a child abuse allegation, the department shall promptly commence either a child abuse assessment within twenty-four hours of receiving the report or a family assessment within seventy-two hours of receiving the report. During a child abuse assessment, if the department identifies known risk factors for commercial sexual exploitation, a screening shall be conducted by a trained child protection worker, considering the child's age, cognitive and emotional functioning, and the specific circumstances of the case.

Sec. 79. 2026 Iowa Acts, House File 1036, section 11, if enacted, is amended to read as follows:

SEC. 11. EFFECTIVE DATE. The following takes effect July 1, 2026 2027:  
The section of this Act amending section 910.1.

Sec. 80. REPEAL. 2026 Iowa Acts, House File 1036, sections 1 and 4, if enacted, are repealed.

Sec. 81. REPORT. Notwithstanding 2026 Iowa Acts, House File 1036, section 10, if enacted, the report described in that section is due by December 15, 2026.

Sec. 82. CONTINGENT EFFECTIVE DATE. This division of this Act takes effect July 1, 2026, if 2026 Iowa Acts, House File 1036, is enacted.

DIVISION XVI  
FEDERAL GRANTS AND LOANS — NOTIFICATION

Sec. 83. Section 8.9, Code 2026, is amended by adding the following new subsection:  
NEW SUBSECTION. 3. a. Once per month, the office of grants enterprise management shall notify by electronic mail the chairpersons and ranking members of the standing committees on appropriations of the senate and house of representatives, the chairperson and ranking member of the house of representatives appropriations subcommittee on federal and other funds, and the legislative services agency of all of the following:

(1) Each federal grant or loan of five million dollars or more that a department or establishment has applied for or received in the prior month. This subparagraph does not apply to the department of public defense or the state board of regents or its institutions.

(2) Each federal grant or loan requiring state matching moneys that a department or establishment has applied for or received in the prior month.

*b.* This subsection does not apply to block grants described in section 8.41.

Sec. 84. NEW SECTION. 602.1306 Federal grants and loans — notification of general assembly.

Within thirty days of applying for or receiving a federal grant or loan of five million dollars or more, or a federal grant or loan requiring state matching moneys, the judicial branch shall notify by electronic mail the chairpersons and ranking members of the standing committees on appropriations of the senate and house of representatives, the chairperson and ranking member of the house of representatives appropriations subcommittee on federal and other funds, and the legislative services agency.

---

\*Item veto; see message at end of the Act

DIVISION XVII  
AREA EDUCATION AGENCIES — QUARTERLY PAYMENTS — FY 2026-2027

Sec. 85. Section 257.35, subsection 1, paragraph a, subparagraph (3), unnumbered paragraph 1, Code 2026, as amended by 2026 Iowa Acts, Senate File 2201, section 17, is amended to read as follows:

For the fiscal year beginning July 1, 2025, and the fiscal year beginning July 1, 2026, the department of management shall 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:

Sec. 86. Section 257.35, subsection 1, paragraph a, subparagraph (4), unnumbered paragraph 1, as enacted by 2026 Iowa Acts, Senate File 2201, section 18, is amended to read as follows:

For the fiscal year beginning July 1, 2027 2026, and each fiscal year thereafter, the department of management shall 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 quarterly basis from July 15 to April 15 during each school year:

Sec. 87. Section 257.35, subsection 21, unnumbered paragraph 1, Code 2026, as amended by 2026 Iowa Acts, Senate File 2201, section 19, is amended to read as follows:

For the fiscal year beginning July 1, 2025, and the fiscal year beginning July 1, 2026, 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:

Sec. 88. Section 257.35, subsection 21A, unnumbered paragraph 1, as enacted by 2026 Iowa Acts, Senate File 2201, section 20, is amended to read as follows:

For the fiscal year beginning July 1, 2027 2026, and each fiscal year thereafter, 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 quarterly basis from July 15 through April 15 during each school year for the purposes of providing services to students enrolled in nonpublic schools within the boundaries of the area education agency:

DIVISION XVIII  
HIGHER EDUCATION — CIVIC PROFICIENCY

Sec. 89. **NEW SECTION. 262.100 General education requirements and core curricula — courses on American history and American government.**

1. The state board of regents shall require each institution of higher education governed by the board to establish as a requirement for the completion of any general education requirements or core curricula that an undergraduate student complete an introductory survey course in American history and an introductory survey course in American government. An institution shall assign a value of at least three semester hours of credit to each course. A course required by this section shall be a comprehensive survey of all American history and American government.

2. A course required by this section shall fulfill the general education or core curriculum requirement for social sciences or humanities, as designated by the institution, that a student is required to complete as a condition of graduation.

3. An institution shall provide equivalent credit toward the courses required by this section to a student transferring to the institution for previous coursework completed by the student that is substantially similar to a required course.

4. This section does not apply to a student completing a degree program designated by an institution as a degree program of three years or less in duration.

5. *a.* Annually, the center for cyclone civics at the Iowa state university of science and technology and the center for civic education at the university of northern Iowa shall designate courses at their respective institutions that satisfy the requirements of this section.

*b.* The center for intellectual freedom at the state university of Iowa shall be the sole academic unit at the state university of Iowa responsible for offering courses that satisfy the requirements of this section.

Sec. 90. APPLICABILITY. This division of this Act applies to undergraduate students beginning enrollment at institutions of higher education governed by the board of regents in academic years beginning on or after July 1, 2028.

#### DIVISION XIX CHARTER SCHOOLS — IPERS

Sec. 91. Section 97B.1A, subsection 8, paragraph a, subparagraph (13), if enacted by 2026 Iowa Acts, House File 2754, section 69, is amended to read as follows:

(13) Persons employed by a charter school established pursuant to chapter 256E, ~~subchapter I~~, that satisfies all applicable requirements under federal law for participation in the retirement system.

Sec. 92. Section 97B.1A, subsection 9, paragraph a, Code 2026, as amended by 2026 Iowa Acts, House File 2754, section 70, if enacted, is amended to read as follows:

*a.* “Employer” means the state of Iowa, the counties, municipalities, agencies, public school districts, charter schools established pursuant to chapter 256E, ~~subchapter I~~, that satisfy all applicable requirements under federal law for participation in the retirement system, all political subdivisions, and all of their departments and instrumentalities, including area agencies on aging, other than those employing persons as specified in subsection 8, paragraph “*b*”, subparagraph (7), and joint planning commissions created under chapter 28E or 28I.

Sec. 93. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 94. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to the effective date of 2026 Iowa Acts, House File 2754, if enacted.

#### DIVISION XX INCENTIVES — SCHOOL DISTRICTS

Sec. 95. Section 257.3, subsection 2, paragraph d, Code 2026, is amended to read as follows:

*d.* For purposes of this section, a reorganized school district is one which absorbs at least thirty percent of the enrollment of the school district affected by a reorganization or dissolved during a dissolution and in which action to bring about a reorganization or dissolution is initiated by a vote of the board of directors or jointly by the affected boards of directors to take effect on or after July 1, 2007, and on or before July 1, ~~2024~~ 2035. Each district which initiated, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution to take effect on or after July 1, 2007, and on or before July 1, ~~2024~~ 2035, shall certify the date and the nature of the action taken to the department of education by January 1 of the year in which the reorganization or dissolution takes effect.

Sec. 96. Section 257.11, subsection 2, paragraph c, Code 2026, is amended to read as follows:

*c.* Pupils attending class for all or a substantial portion of a school day pursuant to a whole grade sharing agreement executed under sections 282.10 through 282.12 shall be eligible for supplementary weighting pursuant to this subsection. A school district which executes a whole grade sharing agreement and which adopts a resolution jointly with

other affected boards to study the question of undergoing a reorganization or dissolution to take effect on or before July 1, 2024 2035, shall receive a weighting of one-tenth of the percentage of the pupil's school day during which the pupil attends classes in another district, attends classes taught by a teacher who is jointly employed under section 280.15, or attends classes taught by a teacher who is employed by another school district. A district shall be eligible for supplementary weighting pursuant to this paragraph for a maximum of three years. Receipt of supplementary weighting for a second and third year shall be conditioned upon submission of information resulting from the study to the school budget review committee indicating progress toward the objective of reorganization on or before July 1, 2024 2035.

Sec. 97. Section 257.11A, subsections 1 and 2, Code 2026, are amended to read as follows:

1. In determining weighted enrollment under section 257.6, if the board of directors of a school district has approved a contract for sharing pursuant to section 257.11 and the school district has approved an action to bring about a reorganization to take effect on and after July 1, 2007, and on or before July 1, 2024 2035, the reorganized school district shall include, for a period of three years following the effective date of the reorganization, additional pupils added by the application of the supplementary weighting plan, equal to the pupils added by the application of the supplementary weighting plan in the year preceding the reorganization. For the purposes of this subsection, the weighted enrollment for the period of three years following the effective date of reorganization shall include the supplementary weighting in the base year used for determining the combined district cost for the first year of the reorganization. However, the weighting shall be reduced by the supplementary weighting added for a pupil whose residency is not within the reorganized district.

2. For purposes of this section, a reorganized district is one in which the reorganization was approved in an election pursuant to sections 275.18 and 275.20 and takes effect on or after July 1, 2007, and on or before July 1, 2024 2035. Each district which initiates, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution to take effect on or after July 1, 2007, and on or before July 1, 2024 2035, shall certify the date and the nature of the action taken to the department of education by January 1 of the year in which the reorganization or dissolution takes effect.

#### DIVISION XXI EXTRACURRICULAR INTERSCHOLASTIC ELIGIBILITY

Sec. 98. 2026 Iowa Acts, House File 2591, sections 4, 5, and 6, if enacted, are amended to read as follows:

SEC. 4. EMERGENCY RULES. The state board of education shall adopt emergency rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the section of this Act amending section 256.7. The rules shall be effective ~~no later than~~ August 1, 2026. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

SEC. 5. EFFECTIVE DATE. The following take effect August 1, 2026:

1. ~~The section of this Act amending section 256.7.~~

~~1.~~ 2. The section of this Act amending section 256.46.

~~2.~~ 3. The section of this Act amending section 282.18.

SEC. 6. EFFECTIVE DATE. The following, being deemed of immediate importance, ~~take~~ takes effect upon enactment:

1. ~~The section of this Act amending section 256.7.~~

2. The section of this Act requiring emergency rulemaking.

Sec. 99. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 100. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to the enactment date of 2026 Iowa Acts, House File 2591, if enacted.

DIVISION XXII  
LEVY INCREASE

Sec. 101. SCHOOL DISTRICT CASH RESERVE LEVY INCREASE — SCHOOL BUDGET YEAR 2026-2027.

1. For the school budget year beginning July 1, 2026, a school district for which the taxable value used to calculate school district property taxes for the school budget year beginning July 1, 2025, was reduced by one hundred million dollars or more due to a correction to the taxable value of a single property within the school district made during the school budget year beginning July 1, 2025, may increase the school district's proposed cash reserve levy under section 298.10 to an amount that exceeds the limitations of section 298.10, if the district complies with subsection 2.

2. A school district that increases its cash reserve levy pursuant to this section shall also reduce one or more other property tax levies of the school district, including the district management levy under section 298.4, by a total amount equal to or greater than the increase in the cash reserve levy so that the total property tax dollars for all property tax levies of the school district does not exceed the school district's combined amount of property tax dollars determined under section 24.2A, subsection 2, paragraph "b", subparagraph (3).

3. A school district that wishes to adjust its levy rates pursuant to this section shall notify the department of management in a manner prescribed by the department. Following receipt of the notice from the school district, the department of management shall adjust the school district's property tax levy rates as necessary to implement this section.

Sec. 102. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

*Approved June 2, 2026, with exceptions noted.*

KIM REYNOLDS, *Governor*

Dear Mr. Secretary:

I hereby transmit House File 2800, an Act relating to state and local government and finances, including by making, modifying, limiting, or reducing appropriations, distributions, or transfers, authorizing expenditure of unappropriated moneys in special funds, making corrections, and providing for properly related matters including the national electrical code, local civil rights laws, political party state central committees, noxious weeds, nonresident deer hunting licenses, proprietary treatment systems, poultry associations, tax credits, alternative nicotine and vapor products, public assistance programs, judicial branch and county attorney salaries, civil litigation abuse, human trafficking, federal grants and loans notifications, quarterly payments to area education agencies, civic proficiency in higher education, charter schools under the Iowa Public Employees' Retirement System, school district incentives, extracurricular interscholastic eligibility, and levy increases, and including effective date, applicability, and retroactive applicability provisions.

House File 2800 is approved this date with the following exceptions:

- Division I Section 4 proposes transferring the unencumbered and unobligated balances of federal funding that the state received from Coronavirus Relief Fund (CRF) to the information technology fund created in section 217.25 on July 1, 2026.

This federal funding contains federal restrictions prohibiting the transfer of funds into a state general fund or any other fund without qualifying, documented eligible use under program rules. Funds not meeting eligible cost timelines must be

returned to the U.S. Treasury.

CRF funds and interest earned can only be used for eligible COVID-19 response expenses<sup>†</sup>. Treasury further specifies that if CRF funds are placed in an interest-bearing account, any interest earned “must be used only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act”<sup>‡</sup>. CRF interest cannot legally be reallocated to a state IT fund unless that fund administers an eligible COVID-19 response activity—which HF 2800, Sec. 4 does not require. Unspent CRF balances must be returned to Treasury if not used for eligible expenditures<sup>§</sup>. A state statute cannot override a federal recoupment mandate. Transferring CRF funds in 2026 would violate federal law.

- Division I Section 5 proposes four appropriations from the information technology fund created in section 217.25 to the department of health and human services for specific information technology projects with the remaining balance of the fund being appropriated for the Medicaid management information system. Further, this section prohibits the usage of funding for maintenance operations, staffing, or other corporate technology needs of the department.

The information technology fund created in section 217.25 is utilized by the department of health and human services to pay for all of their information technology expenditures. As HF 2800, Sec. 4 is in conflict with federal law and will result in no additional funding being transferred into the information technology fund, this would result in the department of health and human services being unable to maintain their operational information technology needs.

- Division X relates to a health care access and innovation tax credit.

As clearly stated during debate on this legislation, the intent of this provision is to hold harmless Iowa’s largest HMO from the MCO tax enacted earlier this year in HF 2739. This carveout undermines the integrity and uniformity of the tax structure adopted by the Legislature and required by the Federal Government. Accordingly, this provision places at risk more than \$120 million in new federal funding that supports Iowa Medicaid and the vulnerable Iowans who depend on these services.

- Division XIV creates a new cause of action for “civil litigation abuse” and abrogates the common law cause of action for abuse of process for actions between private parties.

The codified cause of action for abuse of process abrogates the long-standing common law cause of action for abuse of process. This substantial change to Iowa tort law was not precipitated by discussion with stakeholders, and both the Office of the Attorney General and Iowa State Bar Association have raised concerns about its implications. Specifically, the Office of the Attorney General has identified a likely unintended impact to the State’s liability exposure.

Moreover, codifying a broad-based cause of action for civil litigation abuse would make Iowa an outlier. A cause of action for abuse of process has existed in Iowa since at least 1956 and is based on the Restatements of Torts §682. Well over forty states have adopted the Restatement’s definition of a claim for abuse of process. It

<sup>†</sup> Coronavirus Relief Fund Guidance, Necessary Expenditures Incurred Due to the Public Health Emergency (page 4183) <https://www.govinfo.gov/content/pkg/FR-2021-01-15/pdf/2021-00827.pdf>.

<sup>‡</sup> Coronavirus Relief Fund FAQ, Section B, #3 (page 4193) <https://www.govinfo.gov/content/pkg/FR-2021-01-15/pdf/2021-00827.pdf>

<sup>§</sup> Coronavirus Relief Fund FAQ, Section B, #1 (page 4193) <https://www.govinfo.gov/content/pkg/FR-2021-01-15/pdf/2021-00827.pdf>.

appears that only three states have codified an abuse of process cause of action, and those statutes are limited to claims brought by family members or within the domestic relations context. No statute was found that codified an abuse of process claim applying to any private party (e.g., individuals, corporation or other entity).

The cause of action for abuse of process, as drafted, also includes overbroad definitions thereby creating confusing standards for juries. For example, the bill defines “ulterior purpose” as use of process “mainly” for an improper reason, but then incongruously defines the elements of the claim to include use of process “primarily” for an ulterior purpose.

I remain willing to work with both chambers to address concerns regarding claims in this area of the law.

For the above reasons, I respectfully disapprove those parts of House File 2800 as specified above, in accordance with Article III, Section 16, of the Constitution of the State of Iowa. The remainder of House File 2800 is approved as of this date.

Sincerely,  
KIM REYNOLDS, *Governor*