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Senate File 423

H-1214

1 Amend Senate File 423, as passed by the Senate, as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. Section 481C.2, subsection 2, Code 2025, is  
4 amended to read as follows:

5 2. The department shall issue depredation permits and  
6 deer shooting permits to any landowner who incurs crop,  
7 horticultural product, tree, or nursery damage of one thousand  
8 dollars or more due to wild animals.>

9 2. Title page, line 1, after <relating to> by inserting  
10 <deer hunting, including deer depredation and>

11 3. By renumbering as necessary.

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COLLINS of Des Moines

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House File 982 - Introduced

HOUSE FILE 982  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 957)  
(SUCCESSOR TO HSB 246)

**A BILL FOR**

1 An Act relating to the natural hazard mitigation financing  
2 program, the disaster recovery housing assistance program,  
3 the disaster recovery new housing program, post-loss  
4 assignment of benefits, the licensing and regulation  
5 of adjusters, appraisers, and umpires, and the Iowa  
6 economic emergency fund, and providing penalties, making  
7 appropriations, and including effective date and retroactive  
8 applicability provisions.

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

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DIVISION I

NATURAL HAZARD MITIGATION FINANCING PROGRAM

Section 1. NEW SECTION. 16.230 **Definitions.**

1. "*Department*" means the department of homeland security and emergency management.

2. "*Fund*" means the natural hazard mitigation revolving loan fund created in section 29D.4.

3. "*Loan recipient*" means the same as defined in section 29D.2.

4. "*Program*" means the natural hazard mitigation financing program created in section 29D.3.

5. "*Project*" means the same as defined in section 29D.2.

Sec. 2. NEW SECTION. 16.231 **Funds and accounts — program funds and accounts not part of state general fund.**

1. The department, in consultation with the authority, may establish and maintain funds or accounts determined to be necessary to carry out the purposes of chapter 29D and shall provide for the funding, administration, investment, restrictions, and disposition of the funds and accounts. Any moneys appropriated to the department and the authority for purposes of paying the costs and expenses associated with the administration of the program shall be administered as determined by the department in consultation with the authority.

2. The funds or accounts held by the department or the authority, or a trustee acting on behalf of the department or the authority pursuant to a trust agreement related to the program, shall not be considered part of the general fund of the state, are not subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state, but shall remain in the funds and accounts maintained by the department or the authority, or a trustee pursuant to a trust agreement. Funds and accounts held by the department or the authority, or a trustee acting on behalf of the department

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1 or the authority pursuant to a trust agreement related to the  
2 program, are separate dedicated funds and accounts under the  
3 administration and control of the department in consultation  
4 with the authority.

5 Sec. 3. NEW SECTION. 16.232 Program funding — bonds and  
6 notes.

7 1. The authority shall cooperate with the department in the  
8 creation, administration, and financing of the program.

9 2. The authority may issue bonds and notes for the purpose  
10 of funding the fund and the state matching funds required  
11 pursuant to the federal Robert T. Stafford Disaster Relief  
12 and Emergency Assistance Act, Pub. L. No. 93-288, as amended,  
13 42 U.S.C. §5121 et seq. The authority may enter into one or  
14 more loan agreements or purchase agreements with one or more  
15 bondholders or noteholders containing the terms and conditions  
16 of the repayment of, and the security for, each bond or note.  
17 The authority and each bondholder or noteholder, or a trustee  
18 agent designated by the authority, may enter into an agreement  
19 to provide for any of the following:

20 a. That the proceeds of the bond or note and the investments  
21 of the proceeds may be received, held, and disbursed by the  
22 authority or by a trustee or agent designated by the authority.

23 b. That the bondholder or noteholder, or a trustee or  
24 agent designated by the authority, may collect, invest, and  
25 apply the amount payable under the loan agreement or any other  
26 instruments securing the debt obligations under the loan  
27 agreement.

28 c. That the bondholder or noteholder may enforce the  
29 remedies provided in the loan agreement or other instruments on  
30 the bondholder's or noteholder's behalf without the appointment  
31 or designation of a trustee. If there is a default in the  
32 principal of, or interest on, the bond or note or in the  
33 performance of any agreement contained in the loan agreement or  
34 other instrument, the payment or performance may be enforced in  
35 accordance with the loan agreement or other instrument.

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1     *d.* Other terms and conditions as deemed necessary or  
2 appropriate by the authority.

3     3. Chapter 16, except to the extent inconsistent with this  
4 section, shall apply to bonds or notes issued, and powers  
5 granted to the authority, under this section. Section 16.28,  
6 subsection 4, shall not apply to this section.

7     4. All bonds or notes issued by the authority in connection  
8 with the program are exempt from taxation by this state and the  
9 interest on the bonds or notes is exempt from state income tax.

10    Sec. 4. NEW SECTION. 16.233 Security — reserve funds —  
11 **pledges — nonliability.**

12    1. The authority may provide in the resolution, trust  
13 agreement, or other instrument authorizing the issuance of  
14 bonds or notes pursuant to chapter 29D that the principal of,  
15 premium, and interest on the bonds or notes are payable from  
16 any of the following and may pledge the same to the authority's  
17 bonds or notes:

18    *a.* The income and receipts or other moneys derived from the  
19 projects financed with the proceeds of the bonds or notes.

20    *b.* The income and receipts or other moneys derived from  
21 designated projects whether or not the projects are financed in  
22 whole or in part with the proceeds of the bonds or notes.

23    *c.* The amounts on deposit in the fund.

24    *d.* The amounts payable to the authority by loan recipients  
25 pursuant to loan agreements with loan recipients.

26    *e.* Any other funds or accounts established by the authority  
27 in connection with the program or the sale and issuance of the  
28 authority's bonds or notes.

29    2. The authority may establish reserve funds to secure  
30 one or more issues of its bonds or notes. The authority may  
31 deposit in a reserve fund established under this subsection  
32 the proceeds of the sale of the authority's bonds or notes and  
33 other moneys which are made available from any other source.

34    3. It is the intention of the general assembly that a pledge  
35 made in respect of bonds or notes shall be valid and binding

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1 from the time the pledge is made, that the moneys or property  
2 so pledged and received after the pledge by the authority  
3 shall immediately be subject to the lien of the pledge without  
4 physical delivery or further act, and that the lien of the  
5 pledge shall be valid and binding as against all parties having  
6 claims of any kind in tort, contract, or otherwise against  
7 the authority whether or not the parties have notice of the  
8 lien. Neither the resolution, trust agreement, nor any other  
9 instrument by which a pledge is created needs to be recorded or  
10 filed under the Iowa uniform commercial code, chapter 554, to  
11 be valid, binding, or effective against the parties.

12 4. Neither the members of the authority nor persons  
13 executing the bonds or notes are liable personally on the bonds  
14 or notes or are subject to personal liability or accountability  
15 by reason of the issuance of the bonds or notes.

16 5. The bonds or notes issued by the authority are not  
17 an indebtedness or other liability of the state or of a  
18 political subdivision of the state within the meaning of any  
19 constitutional or statutory debt limitations but are special  
20 obligations of the authority, and are payable solely from  
21 the income and receipts or other funds or property of the  
22 authority, and the amounts on deposit in the revolving loan  
23 funds, and the amounts payable to the authority under the  
24 authority's loan agreements with loan recipients to the extent  
25 that the amounts are designated in the resolution, trust  
26 agreement, or other instrument of the authority authorizing the  
27 issuance of the bonds or notes as being available as security  
28 for such bonds or notes. The authority shall not pledge the  
29 faith or credit of the state or of a political subdivision of  
30 the state to the payment of any bonds or notes. The issuance  
31 of any bonds or notes by the authority does not directly,  
32 indirectly, or contingently obligate the state or a political  
33 subdivision of the state to apply moneys from, or levy or  
34 pledge any form of taxation to the payment of the bonds or  
35 notes.

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1 Sec. 5. NEW SECTION. 29D.1 Short title.

2 This chapter shall be known and may be cited as the "*Natural*  
3 *Hazard Mitigation Financing Program*".

4 Sec. 6. NEW SECTION. 29D.2 Definitions.

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

7 1. "*Authority*" means the Iowa finance authority created in  
8 section 16.1A.

9 2. "*Cost*" means all costs or indebtedness incurred by a loan  
10 recipient and determined by the department as reasonable and  
11 necessary for carrying out all work necessary or incidental to  
12 the accomplishment of a project.

13 3. "*Department*" means the department of homeland security  
14 and emergency management.

15 4. "*Director*" means the director of the department of  
16 homeland security and emergency management.

17 5. "*Eligible entity*" means a person that is eligible under  
18 the STORM Act to receive a loan under the program.

19 6. "*Fund*" means the natural hazard mitigation revolving loan  
20 fund created in section 29D.4.

21 7. "*Loan recipient*" means an eligible entity that has  
22 received a loan from the fund.

23 8. "*Municipality*" means a city, county, sanitary district,  
24 state agency, or other governmental body or corporation, or any  
25 combination of two or more governmental bodies or corporations  
26 acting jointly, in connection with a project.

27 9. "*Private entity*" means a corporation, limited liability  
28 company, trust, estate, partnership, association, or any  
29 other legal entity or a legal representative, agent, officer,  
30 employee, or assignee of such entity. "*Private entity*" does not  
31 include any of the following:

32 a. An individual, municipality, or city utility as that term  
33 is defined in section 362.2.

34 b. A public water supply system as defined in section  
35 455B.171.

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1 c. A qualified entity as defined in section 384.84,  
2 subsection 2.

3 10. "Program" means the natural hazard mitigation financing  
4 program created in section 29D.3.

5 11. a. "Project" means an activity or set of activities,  
6 in accordance with the limitations set forth in the STORM Act,  
7 that mitigate the impact of natural hazards, including but not  
8 limited to:

9 (1) Drought and prolonged episodes of intense heat.

10 (2) Severe storms, including tornadoes, windstorms, and  
11 severe winter storms.

12 (3) Wildfires.

13 (4) Earthquakes.

14 (5) Flooding.

15 (6) Shoreline erosion.

16 (7) High water levels.

17 (8) Storm surges.

18 b. "Project" may include but is not limited to any of the  
19 following:

20 (1) The construction, repair, or replacement of a  
21 nonfederal levee or other flood control structure, provided  
22 that the administrator of the federal emergency management  
23 agency, in consultation with the United States army corps of  
24 engineers, if appropriate, requires an eligible entity to  
25 determine that such levee or other flood control structure is  
26 designed, constructed, and maintained in accordance with sound  
27 engineering practices and standards equivalent to the purpose  
28 for which such levee or structure is intended.

29 (2) Zoning and land use planning changes.

30 (3) Establishing and enforcing building codes.

31 12. "Safeguarding tomorrow through ongoing risk mitigation  
32 Act", or "STORM Act", means the federal Robert T. Stafford  
33 Disaster Relief and Emergency Assistance Act, Pub. L. No.  
34 93-288, as amended, 42 U.S.C. §5121 et seq.

35 Sec. 7. NEW SECTION. 29D.3 Natural hazard mitigation

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1 **financing program.**

2 1. The natural hazard mitigation financing program is  
3 created for the purpose of making loans available to eligible  
4 entities to finance all or part of the costs of a project.

5 2. The program shall be a joint and cooperative undertaking  
6 of the department and the authority. The department and  
7 the authority may enter into any agreements, documents,  
8 instruments, certificates, data, or information as necessary  
9 for the operation, administration, and financing of the program  
10 consistent with this chapter, chapter 16, subchapter X, part  
11 11, the STORM Act, the rules promulgated under chapter 17A by  
12 the department in consultation with the authority, and any  
13 other applicable federal or state laws. The authority and the  
14 department may act to conform the program to the applicable  
15 guidance and regulations adopted by the federal emergency  
16 management agency.

17 **Sec. 8. NEW SECTION. 29D.4 Natural hazard mitigation**  
18 **revolving loan fund.**

19 1. A natural hazard mitigation revolving loan fund is  
20 created in the state treasury under the control of the  
21 department in consultation with the authority. The revolving  
22 loan fund is a separate dedicated fund under the administration  
23 and control of the department in consultation with the  
24 authority and shall be subject to section 16.31. Moneys  
25 on deposit in the revolving loan fund shall be invested by  
26 the treasurer of state in cooperation with the department,  
27 in consultation with the authority, and the income from the  
28 investments shall be credited to and deposited in the revolving  
29 loan fund.

30 2. a. The fund shall consist of moneys appropriated by  
31 the general assembly, moneys received by the fund through the  
32 federal emergency management agency and the STORM Act, moneys  
33 received as repayment of loan principal and interest from loans  
34 paid for by the fund, and all other moneys received by the fund  
35 from any other source. Notwithstanding section 8.33, moneys in

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1 the fund that remain unencumbered or unobligated at the close  
2 of the fiscal year shall not revert but shall remain available  
3 for expenditure for the purposes designated. Notwithstanding  
4 section 12C.7, subsection 2, interest or earnings on moneys in  
5 the fund shall be credited to the fund.

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

17     **Sec. 9. NEW SECTION. 29D.5 Director — powers and duties.**

18     The director shall do all of the following:

19     1. Process and review each intended use plan application  
20 to determine if the intended use plan application meets the  
21 eligibility requirements promulgated by the department by rule,  
22 and approve or deny the application.

23     2. Process and review all documents relating to the  
24 planning, design, construction, and operation of each project.

25     3. Prepare and process, in coordination with the authority,  
26 documents relating to the administration of the program.

27     4. Prepare an annual budget for administration of the  
28 program.

29     5. Receive program fees as determined in conjunction with  
30 the authority.

31     6. Perform other acts and assume other duties and  
32 responsibilities necessary for the administration of the  
33 program and compliance with the STORM Act.

34     **Sec. 10. NEW SECTION. 29D.6 Intended use plans —**  
35 **capitalization grants — accounting.**

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1 1. For the fiscal year beginning July 1, 2025, and each  
2 fiscal year thereafter, the department may prepare and deliver  
3 intended use plans to, and enter into capitalization grant  
4 agreements with, the administrator of the federal emergency  
5 management agency under the terms and conditions set forth  
6 in the STORM Act and federal regulations adopted pursuant to  
7 the STORM Act, and may accept capitalization grants for the  
8 fund in accordance with payment schedules established by the  
9 administrator. All payments from the administrator shall be  
10 deposited into the fund.

11 2. The department, in consultation with the authority,  
12 shall establish fiscal controls and accounting procedures  
13 during appropriate accounting periods for payments received for  
14 deposit into, and disbursements made from, the fund, and to  
15 fund balances at the beginning and end of an accounting period.

16 Sec. 11. NEW SECTION. 29D.7 Authority — loan application  
17 review and approval.

18 1. The department and the authority shall review each  
19 loan application to determine if the applicant is an eligible  
20 entity and qualifies for a loan pursuant to eligibility  
21 requirements established by rule promulgated by the department  
22 and the authority, and in accordance with the intended use plan  
23 applications approved by the director under section 29D.6.

24 2. The authority, in cooperation with the department, shall  
25 determine the interest rate and repayment terms for each loan  
26 made under the program and the authority shall enter into a  
27 loan agreement with each loan recipient in compliance with  
28 the Clean Water Act as defined in section 455B.291, the Safe  
29 Drinking Water Act as defined in section 455B.291, the STORM  
30 Act, and any other applicable state or federal law.

31 3. The authority may charge loan recipients fees and assess  
32 costs as deemed necessary by the authority for the continued  
33 operation of the program. Fees and costs collected pursuant  
34 to this subsection shall be deposited in the fund described in  
35 section 29D.4.

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1     Sec. 12. NEW SECTION. 29D.8 Loans to eligible entities.

2     1. Moneys deposited in the fund shall be used for the  
3 primary purpose of making loans to eligible entities to finance  
4 eligible costs of projects in accordance with the intended  
5 use plans prepared and delivered to the administrator of the  
6 federal emergency management system by the department under  
7 section 29D.6. The loan recipients and the purpose and amount  
8 of the loans shall be determined by the director, in compliance  
9 with the STORM Act and other applicable federal law, and any  
10 resolution, agreement, indenture, or other document of the  
11 authority, and rules adopted by the authority relating to any  
12 bonds, notes, or other obligations issued for the program which  
13 may be applicable to the loan.

14     2. Notwithstanding any provision of this chapter to the  
15 contrary, moneys received under the federal American Recovery  
16 and Reinvestment Act of 2009, Pub. L. No. 111-5, and deposited  
17 in the fund may be used in any manner permitted or required by  
18 applicable federal law.

19     Sec. 13. NEW SECTION. 29D.9 Rules.

20     The department, in consultation with the authority, shall  
21 adopt rules pursuant to chapter 17A to administer this chapter.

22     Sec. 14. Section 422.7, subsection 2, Code 2025, is amended  
23 by adding the following new paragraph:

24     NEW PARAGRAPH. *u.* Natural hazard mitigation financing  
25 program bonds pursuant to section 16.232, subsection 4.

26     Sec. 15. CODE EDITOR DIRECTIVE. The Code editor shall  
27 designate sections 16.230 through 16.233, as enacted in this  
28 division of this Act, as part 11 of chapter 16, subchapter X,  
29 entitled "Natural Hazard Mitigation Financing Program".

30                                   DIVISION II

31                   DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM

32     Sec. 16. Section 16.57B, subsection 1, paragraph a, Code  
33 2025, is amended to read as follows:

34     *a.* "Disaster-affected home" means a primary residence  
35 that is destroyed or damaged due to a natural disaster that

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1 occurs on or after June 16, 2021, and the primary residence  
2 is located in a county that is the subject of a state of  
3 disaster emergency proclamation by the governor that authorizes  
4 disaster recovery housing assistance. The state of disaster  
5 emergency proclamation shall specify if disaster recovery  
6 housing assistance is available to homeowners, renters, or both  
7 homeowners and renters.

8 Sec. 17. Section 16.57B, subsection 1, Code 2025, is amended  
9 by adding the following new paragraph:

10 NEW PARAGRAPH. *Ob.* "Financial assistance" means assistance  
11 provided only from the funds, rights, and assets legally  
12 available to the authority pursuant to this chapter and  
13 includes but is not limited to assistance in the form of  
14 grants, loans, and forgivable loans.

15 Sec. 18. Section 16.57B, subsection 2, paragraph a,  
16 subparagraph (1), Code 2025, is amended to read as follows:

17 (1) A disaster recovery housing assistance fund is created  
18 within the authority. The moneys in the fund shall be used by  
19 the authority ~~for the development and operation of a forgivable~~  
20 ~~loan and grant program for~~ to award financial assistance to  
21 homeowners and renters with disaster-affected homes, and for  
22 the eviction prevention program pursuant to [section 16.57C](#).

23 Sec. 19. Section 16.57B, subsection 2, paragraph c, Code  
24 2025, is amended to read as follows:

25 *c.* The authority shall not use more than five percent of the  
26 moneys ~~in deposited into~~ the fund on July 1 of a fiscal year  
27 under paragraph "b" for purposes of administrative costs and  
28 other program support ~~during the fiscal year.~~

29 Sec. 20. Section 16.57B, subsection 3, paragraph a, Code  
30 2025, is amended to read as follows:

31 *a.* The authority shall establish and administer a disaster  
32 recovery housing assistance program and shall use moneys in the  
33 fund to award ~~forgivable loans~~ financial assistance to eligible  
34 homeowners and ~~grants to~~ eligible renters of disaster-affected  
35 homes. Moneys in the fund may be expended following a state

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1 of disaster emergency proclamation by the governor pursuant  
2 to [section 29C.6](#) that authorizes disaster recovery housing  
3 assistance. The governor, by state of disaster emergency  
4 proclamation, shall specify if disaster recovery housing  
5 assistance is available to homeowners, renters, or both  
6 homeowners and renters.

7 Sec. 21. Section 16.57B, subsections 4, 5, 6, and 7, Code  
8 2025, are amended to read as follows:

9 4. *Registration required.* ~~To be considered for a forgivable~~  
10 ~~loan or grant under the program, a~~ A homeowner or renter must  
11 may register for the disaster case advocacy program established  
12 pursuant to [section 29C.20B](#). The disaster case manager may  
13 refer the homeowner or renter to the appropriate local program  
14 administrator.

15 5. *Homeowners.*

16 a. ~~To be eligible for a forgivable loan~~ financial assistance  
17 under the program, all of the following requirements shall  
18 apply:

19 (1) The homeowner's disaster-affected home must have  
20 sustained damage greater than the damage that is covered by the  
21 homeowner's property and casualty insurance policy insuring the  
22 home plus any other state or federal disaster-related financial  
23 assistance that the homeowner is eligible to receive.

24 (2) A local official must either deem the disaster-affected  
25 home suitable for rehabilitation or damaged beyond reasonable  
26 repair.

27 (3) The disaster-affected home is not eligible for buyout by  
28 the county or city where the disaster-affected home is located,  
29 or the disaster-affected home is eligible for a buyout by the  
30 county or city where the disaster-affected home is located,  
31 but the homeowner is requesting ~~a forgivable loan~~ financial  
32 assistance for the repair or rehabilitation of the homeowner's  
33 disaster-affected home in lieu of a buyout.

34 (4) ~~Assistance~~ Financial assistance under the program must  
35 not duplicate benefits provided by any local, state, or federal

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1 disaster recovery assistance program.

2 ~~b. If a homeowner is referred to the authority or to a~~  
3 ~~local program administrator by the disaster case manager of~~  
4 ~~the homeowner, the~~ The authority may award a forgivable loan  
5 financial assistance to the eligible homeowner for any of the  
6 following purposes:

7 (1) Repair or rehabilitation of the disaster-affected home.  
8 The disaster-affected home to be repaired or rehabilitated  
9 shall not be located in a one-hundred-year floodplain.

10 (2) (a) Down payment assistance on the purchase of  
11 replacement housing, and the cost of reasonable repairs to be  
12 performed on the replacement housing to render the replacement  
13 housing decent, safe, sanitary, and in good repair.

14 (b) Replacement housing shall not be located in a  
15 one-hundred-year floodplain.

16 (c) For purposes of this subparagraph, "*decent, safe,*  
17 *sanitary, and in good repair*" means the same as described in 24  
18 C.F.R. §5.703.

19 *c.* The authority shall determine the interest rate for ~~the~~  
20 any financial assistance awarded in the form of a loan or a  
21 forgivable loan.

22 *d.* If a homeowner who has been awarded a loan or a  
23 forgivable loan sells a disaster-affected home or replacement  
24 housing for which the homeowner received the loan or forgivable  
25 loan prior to the end of the loan term, the remaining principal  
26 on the loan or forgivable loan shall be due and payable  
27 pursuant to rules adopted by the authority.

28 6. *Renters.*

29 *a.* To be eligible for ~~a grant~~ financial assistance under the  
30 program, all of the following requirements shall apply:

31 (1) A local program administrator either deems  
32 the disaster-affected home of the renter suitable for  
33 rehabilitation but unsuitable for current short-term  
34 habitation, or the disaster-affected home is damaged beyond  
35 reasonable repair.

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1 (2) ~~Assistance~~ Financial assistance under the program must  
2 not duplicate benefits provided by any local, state, or federal  
3 disaster recovery assistance program.

4 ~~b. If a renter is referred to the authority or to a~~  
5 ~~local program administrator by the disaster case manager of~~  
6 ~~the renter, the~~ The authority may award a ~~grant~~ financial  
7 assistance to the eligible renter to provide short-term  
8 financial assistance for the payment of rent for replacement  
9 housing.

10 7. *Report.* On or before January 31 of each year, or as part  
11 of the annual report under section 16.7, the authority shall  
12 submit a report to the general assembly that identifies all of  
13 the following for the calendar year immediately preceding the  
14 year of the report:

15 *a.* The date of each state of disaster emergency proclamation  
16 by the governor that authorized disaster recovery housing  
17 assistance under this section, and if disaster recovery housing  
18 assistance was made available to homeowners, renters, or both  
19 homeowners and renters.

20 *b.* The total number of ~~forgivable loans and grants~~ financial  
21 assistance awards awarded.

22 *c.* The total number of ~~forgivable loans~~ financial assistance  
23 awards, and the amount of each ~~loan~~ financial assistance award  
24 awarded for repair or rehabilitation.

25 *d.* The total number of ~~forgivable loans~~ financial assistance  
26 awards, and the amount of each ~~loan~~ financial assistance  
27 award, awarded for down payment assistance on the purchase of  
28 replacement housing and the cost of reasonable repairs to be  
29 performed on the replacement housing to render the replacement  
30 housing decent, safe, sanitary, and in good repair.

31 *e.* The total number of grants, and the amount of each grant,  
32 awarded for rental assistance.

33 *f.* The total number of loans, forgivable loans, and grants  
34 awarded in each county in which at least one homeowner or  
35 renter has been awarded a loan, forgivable loan, or grant.

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1 g. Each local program administrator involved in the  
2 administration of the program.

3 h. The total amount of loan and forgivable loan principal  
4 repaid.

5 Sec. 22. Section 16.57D, subsections 1 and 2, Code 2025, are  
6 amended to read as follows:

7 1. Establish the maximum loan, forgivable loan, and grant  
8 amounts awarded under the program.

9 2. Establish the terms of any loan or forgivable loan  
10 provided under the program.

11 DIVISION III

12 DISASTER RECOVERY NEW HOUSING PROGRAM

13 Sec. 23. Section 422.7, Code 2025, is amended by adding the  
14 following new subsection:

15 NEW SUBSECTION. 45. a. Subtract, to the extent included,  
16 the amount of any qualifying state disaster recovery new  
17 housing grant issued to an individual or business by the  
18 economic development authority.

19 b. For purposes of this subsection, "*qualifying state*  
20 *disaster recovery new housing grant*" means an award of a state  
21 disaster recovery new housing grant that was applied for  
22 between August 20, 2024, and December 31, 2024, and approved  
23 and issued by the economic development authority.

24 Sec. 24. Section 422.35, Code 2025, is amended by adding the  
25 following new subsection:

26 NEW SUBSECTION. 14. a. Subtract, to the extent included,  
27 the amount of any qualifying state disaster recovery new  
28 housing grant issued to a business by the economic development  
29 authority.

30 b. For purposes of this subsection, "*qualifying state*  
31 *disaster recovery new housing grant*" means an award of a state  
32 disaster recovery new housing grant that was applied for  
33 between August 20, 2024, and December 31, 2024, and approved  
34 and issued by the economic development authority.

35 Sec. 25. EFFECTIVE DATE. This division of this Act, being

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1 deemed of immediate importance, takes effect upon enactment.

2 Sec. 26. RETROACTIVE APPLICABILITY. This division of this  
3 Act applies retroactively to tax years beginning on or after  
4 January 1, 2024.

5 DIVISION IV

6 POST-LOSS ASSIGNMENT OF BENEFITS — RESIDENTIAL CONTRACTOR

7 Sec. 27. Section 507B.4, subsection 3, Code 2025, is amended  
8 by adding the following new paragraph:

9 NEW PARAGRAPH. *v. Post-loss assignment of benefits.* Any  
10 violation of section 515.137A by a residential contractor.

11 Sec. 28. Section 515.137A, subsection 2, Code 2025, is  
12 amended by adding the following new paragraphs:

13 NEW PARAGRAPH. *0b. "Catastrophic disaster"* includes a major  
14 disaster declaration by the president of the United States or a  
15 state of disaster emergency proclamation by the governor.

16 NEW PARAGRAPH. *00b. "Consumer advocate"* means a consumer  
17 advocate appointed pursuant to section 505.8, subsection 6,  
18 paragraph "b", subparagraph (1).

19 NEW PARAGRAPH. *000b. "Post-loss assignment"* means any  
20 instrument by which post-loss benefits, rights, or duties of  
21 a named insured under a residential property and casualty  
22 insurance policy are assigned or transferred to a residential  
23 contractor. The post-loss assignment must only assign the  
24 insurance proceeds a named insured is entitled to receive  
25 from the named insured's insurer for the repair, replacement  
26 construction, or reconstruction of the named insured's  
27 property.

28 Sec. 29. Section 515.137A, subsections 3, 4, and 5, Code  
29 2025, are amended by striking the subsections and inserting in  
30 lieu thereof the following:

31 3. A residential contractor shall be prohibited from all of  
32 the following under a post-loss assignment by a named insured  
33 to the residential contractor:

34 *a.* Rebating or offering to rebate any portion of the named  
35 insured's insurance deductible as an inducement for the named

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1 insured to purchase a good or service.

2     *b.* Imposing an administrative fee on the named insured  
3 for canceling the post-loss assignment, or imposing a fee to  
4 process the insurance check or to interact with the named  
5 insured's mortgage company.

6     *c.* Acting as a public adjuster without being licensed under  
7 chapter 522C.

8     *d.* Receiving payments from the named insured's insurer  
9 that are unrelated to the repair, replacement construction,  
10 or reconstruction work on the covered insured's property,  
11 including but not limited to all of the following:

12         (1) Additional living expenses.

13         (2) Loss of use.

14     4. *a.* A post-loss assignment must include all of the  
15 following:

16         (1) An itemized description of the work to be performed.

17         (2) An itemized description of the materials, labor, and  
18 fees for the work to be performed.

19         (3) A total itemized amount to be paid for the work to be  
20 performed.

21         (4) A statement that the residential contractor has made  
22 no assurances that the claimed loss will be fully covered by  
23 the named insured's insurance contract and shall include the  
24 following notice in capitalized fourteen point type:

25         YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER  
26 YOUR INSURANCE POLICY. PLEASE READ AND UNDERSTAND THIS  
27 DOCUMENT BEFORE SIGNING.

28         THE ITEMIZED DESCRIPTION OF THE WORK TO BE DONE SHOWN IN THIS  
29 ASSIGNMENT FORM HAS NOT BEEN AGREED TO BY THE INSURER. THE  
30 INSURER HAS THE RIGHT TO PAY ONLY FOR THE COST TO REPAIR OR  
31 REPLACE DAMAGED PROPERTY CAUSED BY A COVERED PERIL. POST-LOSS  
32 ASSIGNMENTS ARE SUBJECT TO THE AUTHORITY OF THE IOWA INSURANCE  
33 DIVISION. YOU MAY FILE A COMPLAINT WITH THE DIVISION ON THE  
34 DIVISION'S INTERNET SITE OR CALL THE DIVISION AT (telephone  
35 number).

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1 (5) In capitalized fourteen point type and located in the  
2 immediate proximity of the space reserved in the assignment for  
3 the signature of the named insured, the following notice:

4 YOU MAY CANCEL THIS POST-LOSS ASSIGNMENT FOR ANY REASON  
5 WITHOUT PENALTY WITHIN FIVE (5) BUSINESS DAYS FROM THE LATER OF  
6 THE DATE THE POST-LOSS ASSIGNMENT IS FULLY EXECUTED OR THE DATE  
7 ON WHICH YOU RECEIVE A COPY OF THE FULLY EXECUTED POST-LOSS  
8 ASSIGNMENT. IF MAILED, THE CANCELLATION MUST BE POSTMARKED  
9 BEFORE THE FIVE (5) BUSINESS DAY DEADLINE.

10 YOU MUST CANCEL THE POST-LOSS ASSIGNMENT IN WRITING AND  
11 THE CANCELLATION MUST BE DELIVERED TO (name and address  
12 of residential contractor as provided by the residential  
13 contractor). IF THE ASSIGNEE HAS NOT BEGUN SUBSTANTIALLY  
14 PERFORMING WORK ON THE PROPERTY, YOU MAY CANCEL THIS POST-LOSS  
15 ASSIGNMENT WITHOUT PENALTY AFTER AT LEAST THIRTY (30) CALENDAR  
16 DAYS AFTER THE DATE WORK ON THE PROPERTY IS SCHEDULED TO  
17 COMMENCE, OR AFTER AT LEAST THIRTY (30) CALENDAR DAYS AFTER  
18 THE POST-LOSS ASSIGNMENT IS FULLY EXECUTED IF THE POST-LOSS  
19 ASSIGNMENT DOES NOT CONTAIN A COMMENCEMENT DATE.

20 IF YOU CANCEL THIS POST-LOSS ASSIGNMENT, THE RESIDENTIAL  
21 CONTRACTOR HAS UP TO TEN (10) BUSINESS DAYS TO RETURN ALL  
22 PAYMENTS OR DEPOSITS YOU HAVE MADE.

23 (6) A provision that requires the assignee to indemnify and  
24 hold harmless the assignor from liabilities, damages, losses,  
25 and costs, including but not limited to attorney fees related  
26 to the loss claim.

27 *b.* A post-loss assignment shall not impair the interest of  
28 a mortgagee listed on the declarations page of the property and  
29 casualty insurance policy that is the subject of the post-loss  
30 assignment. All mortgagees shall be named as a co-payee for  
31 the payment of benefits under a property and casualty insurance  
32 policy covering residential real estate.

33 *c.* A post-loss assignment shall only authorize a residential  
34 contractor to be named as a co-payee, along with the named  
35 insured and all mortgagees, for the payment of benefits under

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1 a property and casualty insurance policy covering residential  
2 real estate.

3 *d.* A post-loss assignment shall not prevent or inhibit  
4 an insurer from communicating with the named insured or a  
5 mortgagee listed on the declarations page of the property and  
6 casualty insurance policy that is the subject of the post-loss  
7 assignment.

8 *e.* An electronic copy of the fully executed post-loss  
9 assignment shall be provided to the insurer of the residential  
10 real estate, the named insured, and all mortgagees of the  
11 damaged residential real estate within five business days after  
12 execution of the post-loss assignment. A paper copy shall be  
13 provided to the insurer, a named insured, and any mortgagee of  
14 the damaged residential real estate within five business days  
15 of a request by the insurer, the named insured, or a mortgagee.

16 *f.* A residential contractor named in a post-loss assignment  
17 must cooperate with the insurer of the damaged residential  
18 real estate in a claim investigation by providing documents  
19 and records requested by the insurer and complying with each  
20 post-loss duty included in the named insured's insurance  
21 policy.

22 5. *a.* A named insured shall have the right to cancel a  
23 post-loss assignment without penalty or fee under all of the  
24 following circumstances:

25 (1) For any reason within five business days from the  
26 date on which the named insured receives a copy of the fully  
27 executed post-loss agreement.

28 (2) The assignee has not substantially performed work on  
29 the property that is the subject of the post-loss assignment at  
30 least thirty calendar days after the date work on the property  
31 was scheduled to commence.

32 (3) The assignee has not begun substantial work on the  
33 property that is the subject of the post-loss assignment at  
34 least thirty calendar days after the date the insured received  
35 a fully executed copy of the executed post-loss assignment and

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1 the post-loss assignment does not contain a commencement date.

2     **b.** The cancellation shall be made in writing. Within ten  
3 business days of the date of the written cancellation, the  
4 residential contractor shall tender to the named insured, the  
5 landowner, or the possessor of the real estate, all payments,  
6 partial payments, or deposits that have been made by such  
7 person.

8     6. Any written contract, repair estimate, or work order  
9 prepared by a residential contractor to provide goods or  
10 services to be paid from the proceeds of a property and  
11 casualty insurance policy pursuant to a post-loss assignment  
12 shall include, in capitalized fourteen point type, the notice  
13 as provided in section 103A.71, subsection 4, paragraph "a",  
14 which shall be signed by the named insured, and sent to the  
15 named insured's insurer prior to payment to the residential  
16 contractor of proceeds under the applicable insurance policy.

17     7. For a minimum of seventy-two hours following a  
18 catastrophic disaster, a residential contractor shall  
19 not enter into a contract with an insured that includes a  
20 post-loss assignment. If the commissioner deems the severity  
21 of the catastrophic disaster to have placed people under  
22 duress, the commissioner shall immediately dispatch the  
23 consumer advocate and other personnel to the disaster area to  
24 provide consumer guidance. If, after a public hearing, the  
25 commissioner determines that, due to the scope and severity  
26 of the catastrophic disaster, additional time is necessary to  
27 safely deploy additional consumer protection resources, the  
28 commissioner may extend the time period that a residential  
29 contractor shall not enter into a contract with an insured that  
30 includes a post-loss assignment for an additional seventy-two  
31 hours.

32     8. A post-loss assignment entered into with a residential  
33 contractor shall be void if the residential contractor violates  
34 this section.

35     9. A violation of this section by a residential contractor

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1 shall be an unfair practice pursuant to section 507B.4.

2 10. If any provision of this section or the application  
3 thereof to any person or circumstance is held invalid, the  
4 invalidity does not affect other provisions or applications  
5 of this section which can be given effect without the invalid  
6 provision or application, and to this end the provisions of  
7 this section are severable.

8

DIVISION V

9

PUBLIC, INDEPENDENT, AND STAFF ADJUSTERS

10 Sec. 30. Section 507B.4, subsection 3, Code 2025, is amended  
11 by adding the following new paragraph:

12 NEW PARAGRAPH. *v. Adjuster financial responsibility.*

13 Failure of an adjuster to comply with section 522C.7.

14 Sec. 31. Section 522B.5A, subsection 2, paragraphs c and e,  
15 Code 2025, are amended to read as follows:

16 *c.* A renewal, reinstatement, or reissuance of a license  
17 if the license of a producer has been revoked or suspended  
18 pursuant to [section 522B.11](#), the license of a ~~public~~ an  
19 adjuster has been revoked or suspended pursuant to section  
20 ~~522C.6~~ [522C.13](#), or the license of a viatical settlement  
21 provider or viatical settlement broker has been revoked or  
22 suspended pursuant to [section 508E.4](#).

23 *e.* An initial license as a ~~public~~ an adjuster in this state.

24 Sec. 32. Section 522C.1, Code 2025, is amended to read as  
25 follows:

26 **522C.1 Purpose.**

27 The purpose of [this chapter](#) is to govern the qualifications  
28 and procedures for licensing ~~public~~ adjusters in this state,  
29 and to specify the duties of and restrictions on public  
30 adjusters, including limitation of such licensure to assisting  
31 insureds only with first-party claims.

32 Sec. 33. Section 522C.2, Code 2025, is amended by striking  
33 the section and inserting in lieu thereof the following:

34 **522C.2 Definitions.**

35 As used in this chapter, unless the context otherwise

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1 requires:

2 1. *“Adjuster”* means a public adjuster, an independent  
3 adjuster, or a licensed staff adjuster. A person that acts as  
4 an adjuster solely for a crop hail insurance or a multiperil  
5 crop insurance claim shall not be subject to this chapter.

6 2. *“Amount of loss”* means the monetary amount determined to  
7 be necessary to properly repair or replace damage related to a  
8 covered peril, and is limited to all applicable coverages for  
9 covered items associated with the claim.

10 3. *“Business entity”* means a corporation, association,  
11 partnership, limited liability company, limited liability  
12 partnership, or any other legal entity.

13 4. a. *“Catastrophic disaster”* means an event that results  
14 in all of the following:

15 (1) A large number of deaths or injuries.

16 (2) Extensive damage or destruction of facilities that  
17 provide and sustain human needs.

18 (3) An overwhelming demand on state and local response  
19 resources and mechanisms.

20 (4) A severe long-term effect on general economic activity.

21 (5) A severe effect on state, local, and private sector  
22 capabilities to commence and sustain disaster response  
23 activities.

24 b. *“Catastrophic disaster”* includes a major disaster  
25 declaration by the president of the United States or a state of  
26 disaster emergency proclamation by the governor.

27 5. *“Commissioner”* means the commissioner of insurance.

28 6. *“Consumer advocate”* means a consumer advocate appointed  
29 pursuant to section 505.8, subsection 6, paragraph *“b”*,  
30 subparagraph (1).

31 7. *“Disciplinary matter”* means but is not limited to a  
32 person who is the subject of an investigation, complaint, or  
33 pending administrative action in this state or any other state.

34 8. *“Financial interest”* means but is not limited to a fee,  
35 commission, or other valuable consideration.

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1 9. "*First-party claim*" means a claim filed by a named  
2 insured under an insurance policy against which the claim is  
3 made.

4 10. "*Home state*" means the District of Columbia, or any  
5 state or territory of the United States in which an adjuster  
6 maintains the adjuster's principal place of residence or  
7 principal place of business.

8 11. "*Independent adjuster*" means a person who does all of  
9 the following:

10 a. Contracts for compensation with insurers or  
11 self-insurers, and is treated by the insurer or self-insurer as  
12 an independent contractor and not as an employee as that term  
13 is described in 26 C.F.R. §31.3121(d)(1).

14 b. Investigates, negotiates, or settles property,  
15 casualty, or workers' compensation claims for insurers or for  
16 self-insurers.

17 12. "*Insured*" means a person covered under an insurance  
18 policy against which a claim is made.

19 13. "*NAIC*" means the national association of insurance  
20 commissioners.

21 14. "*NIPR gateway*" means the communication network developed  
22 and operated by the national insurance producer registry that  
23 links state insurance regulators with regulated entities to  
24 facilitate the electronic exchange of adjuster information,  
25 including but not limited to license applications, license  
26 renewals, appointments, and terminations.

27 15. "*Person*" means an individual or a business entity.

28 16. "*Producer database*" means the national database of  
29 insurance producers maintained by the NAIC.

30 17. "*Public adjuster*" means a person who, for compensation  
31 or other thing of value, does any of the following:

32 a. Acts for or aids an insured in negotiating or affecting  
33 the settlement of a first-party claim for loss or damage to  
34 real or personal property of an insured.

35 b. Advertises for employment as a public adjuster of

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1 first-party insurance claims or otherwise solicits business or  
2 represents to the public that the person is a public adjuster  
3 of first-party insurance claims for loss or damage to real or  
4 personal property of an insured.

5 *c.* Directly or indirectly solicits business investigating  
6 or adjusting losses, or advising an insured about first-party  
7 claims for loss or damage to real or personal property of the  
8 insured.

9 18. "*Reinstatement*" means the reinstatement of a suspended  
10 license which was suspended in connection with a disciplinary  
11 matter, and that has not expired or been terminated during the  
12 suspension period.

13 19. "*Reissuance*" means the issuance of a new license  
14 following the revocation of a license, the suspension and  
15 subsequent termination of a license, or the forfeiture of a  
16 license in connection with a disciplinary matter.

17 20. "*Staff adjuster*" means a person who is directly employed  
18 by an insurer or self-insurer to investigate, negotiate, or  
19 settle property, casualty, or workers' compensation claims.

20 21. "*Uniform business entity application*" means the most  
21 recent version of NAIC's uniform application for business  
22 entity license and registration.

23 22. "*Uniform individual application*" means the most recent  
24 version of NAIC's uniform application for individual adjuster  
25 or apprentice license and registration.

26 Sec. 34. Section 522C.3, Code 2025, is amended by striking  
27 the section and inserting in lieu thereof the following:

28 **522C.3 Authority of the commissioner.**

29 The commissioner may adopt rules pursuant to chapter 17A as  
30 necessary to administer and enforce this chapter, which may  
31 include but are not limited to all of the following:

- 32 1. Advertising standards.
- 33 2. Continuing education requirements for licensees.
- 34 3. Contracts between public adjusters and insureds.
- 35 4. Required disclosures by licensees.

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- 1 5. Examinations for licensure.
- 2 6. Exemptions.
- 3 7. License bonds, and errors and omissions insurance
- 4 requirements.
- 5 8. License requirements and exclusions.
- 6 9. Prohibited practices.
- 7 10. Record retention requirements.
- 8 11. Reporting requirements.
- 9 12. Requirements and limitations on fees charged by public
- 10 adjusters.
- 11 13. Standards for reasonableness of payment.
- 12 14. Standards of conduct.
- 13 15. Penalties.
- 14 Sec. 35. Section 522C.4, Code 2025, is amended by striking
- 15 the section and inserting in lieu thereof the following:
- 16 **522C.4 License required.**
- 17 1. A person shall not act as, or represent that the person
- 18 is, a public adjuster or an independent adjuster in this state
- 19 unless the person is licensed under this chapter.
- 20 2. A license as an adjuster shall not be required of any of
- 21 the following:
- 22 a. A staff adjuster; however, staff adjusters shall comply
- 23 with all other provisions of this chapter not including section
- 24 522C.7.
- 25 b. An attorney licensed to practice law in the state when
- 26 acting within their professional capacity as an attorney.
- 27 c. A person employed only for the purpose of obtaining facts
- 28 surrounding a loss, or furnishing technical assistance to a
- 29 licensed adjuster, including but not limited to a photographer,
- 30 estimator, private investigator, engineer, and handwriting
- 31 expert.
- 32 Sec. 36. Section 522C.5, Code 2025, is amended by striking
- 33 the section and inserting in lieu thereof the following:
- 34 **522C.5 Application for license.**
- 35 1. A person applying for an adjuster license shall complete

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1 a uniform individual application or a uniform business entity  
2 application through the NIPR gateway or as otherwise prescribed  
3 by the commissioner.

4 2. To determine an applicant's eligibility for licensure,  
5 the commissioner may require a criminal history check pursuant  
6 to section 522B.5A.

7 Sec. 37. NEW SECTION. **522C.5A Individual applicants —**  
8 **resident adjuster.**

9 Prior to approving an individual's application for a  
10 resident adjuster license, the commissioner shall find that the  
11 applicant meets all of the following requirements:

12 1. This state is the applicant's home state.

13 2. The applicant has not committed any act that is a ground  
14 for denial, suspension, or revocation of a license under  
15 section 522C.13.

16 3. The applicant has the requisite character and competence  
17 to be licensed as an adjuster, as may be determined by the  
18 commissioner.

19 4. The applicant is financially responsible pursuant to  
20 section 522C.7.

21 5. The applicant has paid all fees required under this  
22 chapter.

23 6. The applicant maintains an office in the applicant's home  
24 state with public access by reasonable appointment or regular  
25 business hours.

26 7. The applicant is at least eighteen years of age.

27 8. The applicant successfully passed the adjuster  
28 examination pursuant to section 522C.8.

29 9. The applicant submitted contracts and any subsequent  
30 contract modification to the commissioner for review and  
31 approval prior to use. A contract that has been filed is  
32 deemed to be approved unless disapproved or additional  
33 information is requested by the commissioner within thirty  
34 calendar days of receipt of the filing by the commissioner.

35 10. The applicant has obtained any necessary authority from

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1 the secretary of state to transact business in this state.

2 Sec. 38. NEW SECTION. **522C.5B Individual applicants —**  
3 **nonresident adjuster.**

4 Before approving a nonresident applicant's application for  
5 a nonresident adjuster license, the commissioner shall find  
6 that the nonresident applicant meets all of the following  
7 requirements:

8 1. The nonresident applicant has not committed any act that  
9 is a ground for denial, suspension, or revocation of a license  
10 under section 522C.13.

11 2. The nonresident applicant is licensed as a resident  
12 adjuster and in good standing in the nonresident applicant's  
13 home state. If the nonresident applicant's resident license  
14 in the nonresident applicant's home state terminates for any  
15 reason, a license issued to a nonresident applicant under this  
16 section shall become inactive, unless the termination is due to  
17 the nonresident applicant being issued a new resident adjuster  
18 license in the nonresident applicant's home state and the home  
19 state has reciprocity with this state.

20 3. The nonresident applicant has submitted a request for  
21 licensure to the division in a form and manner prescribed by  
22 the commissioner.

23 4. The nonresident applicant has the requisite character  
24 and competence to be licensed as an adjuster, as may be  
25 determined by the commissioner.

26 5. The nonresident applicant is financially responsible  
27 pursuant to section 522C.7.

28 6. The nonresident applicant has paid all fees required  
29 under this chapter.

30 7. The nonresident applicant has obtained any necessary  
31 authority from the Iowa secretary of state to transact business  
32 in this state.

33 8. The nonresident applicant filed contracts with the  
34 commissioner for review and approval prior to use. A contract  
35 that has been filed is deemed to be approved unless disapproved

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1 or additional information is requested by the commissioner  
2 within thirty calendar days of receipt of the filing by the  
3 commissioner.

4 9. The nonresident applicant successfully passed the  
5 adjuster examination pursuant to section 522C.8.

6 Sec. 39. NEW SECTION. **522C.5C Business applicants —**  
7 **resident public adjuster or independent adjuster.**

8 Prior to approving a business entity's application for a  
9 license for a resident public adjuster or resident independent  
10 adjuster, the commissioner shall find that the business entity  
11 meets all of the following requirements:

12 1. The business entity has designated an individual  
13 adjuster licensed in this state to be responsible for the  
14 business entity's compliance with the insurance laws and  
15 administrative rules of this state.

16 2. The business entity has not committed any act that is a  
17 ground for denial, suspension, or revocation of a license under  
18 section 522C.13.

19 3. The business entity has the requisite character and  
20 competence to be licensed as an adjuster, as may be determined  
21 by the commissioner.

22 4. The business entity is financially responsible pursuant  
23 to section 522C.7.

24 5. The business entity has paid all fees required under this  
25 chapter.

26 6. The business entity maintains an office in the  
27 business entity's home state with public access by reasonable  
28 appointment or regular business hours.

29 7. The business entity submitted contracts and any  
30 subsequent contract modification to the commissioner for review  
31 and approval prior to use. A contract that has been filed  
32 is deemed to be approved unless disapproved or additional  
33 information is requested by the commissioner within thirty  
34 calendar days of receipt of the filing by the commissioner.

35 8. The business entity has obtained any necessary authority

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1 from the Iowa secretary of state to transact business in this  
2 state.

3 Sec. 40. NEW SECTION. **522C.5D Business applicants —**  
4 **nonresident business entity.**

5 Before approving a nonresident business entity's application  
6 for a nonresident public adjuster license or a nonresident  
7 independent adjuster license, the commissioner shall find that  
8 the nonresident business entity meets all of the following  
9 requirements:

10 1. The nonresident business applicant has designated an  
11 individual adjuster licensed in this state to be responsible  
12 for the nonresident business applicant's compliance with the  
13 insurance laws and administrative rules of this state.

14 2. The nonresident business applicant has not committed any  
15 act that is a ground for denial, suspension, or revocation of a  
16 license under section 522C.13.

17 3. The nonresident business applicant has the requisite  
18 character and competence to be licensed as an adjuster, as may  
19 be determined by the commissioner.

20 4. The nonresident business applicant is financially  
21 responsible pursuant to section 522C.7.

22 5. The nonresident business applicant has paid all fees  
23 required under this chapter.

24 6. The nonresident business applicant maintains an office  
25 in the nonresident business applicant's home state with public  
26 access by reasonable appointment or regular business hours.

27 7. The nonresident business applicant submitted contracts  
28 and any subsequent contract modification to the commissioner  
29 for review and approval prior to use. A contract that has been  
30 filed is deemed to be approved unless disapproved or additional  
31 information is requested by the commissioner within thirty  
32 calendar days of receipt of the filing by the commissioner.

33 8. The nonresident business applicant has obtained any  
34 necessary authority from the Iowa secretary of state to  
35 transact business in this state.

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1 Sec. 41. Section 522C.6, Code 2025, is amended by striking  
2 the section and inserting in lieu thereof the following:

3 **522C.6 Fees — license issuance, renewal, or reinstatement,**  
4 **and examination.**

5 Fees for a license as an adjuster shall be as follows:

6 1. Any applicable fee for a criminal history check pursuant  
7 to section 522B.5A.

8 2. The fee for issuance or renewal of an adjuster license is  
9 fifty dollars for a consecutive twenty-four-month period.

10 3. The fee for reinstatement of an adjuster license is fifty  
11 dollars.

12 4. The fee for a reinstatement or reissuance of an adjuster  
13 license due to a disciplinary action under section 522C.15 is  
14 one hundred dollars.

15 5. The commissioner may charge a reasonable fee for the  
16 compilation and production of adjuster licensing records.

17 6. The fee for an examination under section 522C.8 may  
18 be set by a third-party testing service under contract with  
19 the division to administer the examination. The fee must be  
20 approved by the division.

21 7. Fees shall be paid electronically through the NIPR  
22 gateway.

23 Sec. 42. NEW SECTION. **522C.7 Financial responsibility.**

24 1. Prior to issuance of a license under section 522C.5A,  
25 522C.5B, 522C.5C, or 522C.5D, an applicant shall secure  
26 evidence of financial responsibility through a surety bond  
27 as prescribed by the commissioner. The surety bond shall be  
28 executed and issued by an insurer authorized to issue surety  
29 bonds in this state and meet the following requirements:

30 a. The surety bond shall be a minimum of fifty thousand  
31 dollars.

32 b. The surety bond shall be in favor of the state and  
33 specifically authorize recovery by the commissioner on behalf  
34 of any person in this state who sustains damages as the result  
35 of an adjuster's erroneous act, failure to act, fraud, or

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1 unfair or deceptive act or practice under section 507B.4.

2     *c.* The surety bond shall not be terminated without prior  
3 written notice filed with the division a minimum of thirty  
4 calendar days prior to termination.

5     2. The division may request that an adjuster provide  
6 evidence of financial responsibility at any time the division  
7 deems relevant.

8     3. An adjuster shall immediately notify the division if the  
9 adjuster's evidence of financial responsibility terminates in  
10 violation of subsection 1, paragraph "c", or becomes impaired,  
11 and the adjuster's license shall become inactive until the  
12 adjuster provides the division with evidence of financial  
13 responsibility.

14     Sec. 43. NEW SECTION. **522C.8 Examination.**

15     1. An individual applying for a license under this chapter  
16 shall pass a written examination, unless exempt pursuant to  
17 section 522C.9. The examination shall test the knowledge of  
18 the individual concerning the duties and responsibilities of  
19 an adjuster and the insurance laws and administrative rules  
20 of this state, and shall be conducted as prescribed by the  
21 division.

22     2. Each individual applying for examination shall remit the  
23 examination fee under section 522C.6.

24     3. An individual who fails to appear for a scheduled  
25 examination, or who fails to pass the examination, may reapply  
26 for examination and must remit the required fee to be scheduled  
27 for another examination.

28     4. The results of an examination shall be valid to submit  
29 for licensure for ninety calendar days after the date of the  
30 examination.

31     Sec. 44. NEW SECTION. **522C.9 Examination — exemption.**

32     1. An individual who applies for a nonresident license  
33 under this chapter and who was previously a licensed adjuster  
34 in another state that required an examination that included  
35 Iowa-specific statutes and administrative rules shall not be

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1 required to apply for examination under section 522C.8.

2 2. An individual who relocates to this state and who was a  
3 licensed adjuster in another state that required an examination  
4 that included Iowa-specific statutes and administrative rules  
5 shall not be required to apply for examination under section  
6 522C.8 if the individual submits an application for a resident  
7 adjuster license under section 522C.5A within ninety calendar  
8 days of establishing legal residency, and any of the following  
9 apply:

10 a. The individual is currently a licensed adjuster in the  
11 state from which the applicant relocated.

12 b. The state from which the applicant relocated issues  
13 a certification that the applicant is licensed and in good  
14 standing.

15 c. The producer database records of the state from which  
16 the applicant relocated, or records maintained by the NAIC or  
17 a NAIC affiliate or subsidiary, indicate that the adjuster  
18 is currently licensed or had been licensed, and is in good  
19 standing.

20 Sec. 45. NEW SECTION. 522C.10 Public adjuster and insured  
21 — contract for services.

22 1. a. A public adjuster shall not provide services to an  
23 insured until a written contract with the insured has been  
24 executed on a form filed with and approved by the commissioner  
25 pursuant to section 522C.5A, subsection 9, section 522C.5B,  
26 subsection 8, section 522C.5C, subsection 7, or section  
27 522C.5D, subsection 7. The contract must have a heading that  
28 indicates the contract is a public adjuster contract and must  
29 contain all of the following:

30 (1) The full name, address, telephone number, and license  
31 number of the public adjuster presenting and negotiating the  
32 contract and, if applicable, the full name, address, telephone  
33 number, and license number of the business entity the public  
34 adjuster is associated with.

35 (2) The insured's full name, street address, insurance

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1 company name, and, if known or upon notification, the insurance  
2 policy number and claim number.

3 (3) A description of the insured's loss claim and the  
4 address at which the loss is located, if applicable.

5 (4) A description of services to be provided by the public  
6 adjuster on behalf of the insured.

7 (5) A signature of the public adjuster and of the insured,  
8 and the date the public adjuster and the insured each signed  
9 the contract.

10 (6) An attestation that the public adjuster has a surety  
11 bond pursuant to section 522C.7.

12 (7) An explanation of the amount payable to the public  
13 adjuster, and how the amount is calculated, which may include  
14 any of the following:

15 (a) If an hourly rate, the contract shall state the hourly  
16 rate and how the rate is applied to the hours of service  
17 provided by the public adjuster to calculate the amount  
18 payable.

19 (b) If a flat fee, the contract must state the exact amount  
20 payable to the public adjuster.

21 (c) If a percentage of settlement, the contract must state  
22 the exact percentage applied to the settlement on the claim.

23 (d) If any other consideration, the contract must detail how  
24 the amount payable is calculated or determined.

25 (8) A public adjuster may charge a reasonable fee that shall  
26 not exceed any of the following:

27 (a) Fifteen percent of all claim payments approved by  
28 the insurer for any noncatastrophic disaster insurance claim  
29 settlement.

30 (b) Ten percent of all claim payments approved by the  
31 insurer for any catastrophic disaster insurance claim  
32 settlement.

33 (9) That compensation for any reopened or supplemental  
34 claim may not exceed the limitations set forth in the contract.

35 (10) That the insured has the right to agree to or reject

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1 a loss settlement even if the public adjuster objects to the  
2 insured's decision.

3 (11) The initial expenses of the public adjuster that will  
4 be reimbursed from the proceeds of the claim payment shall be  
5 specified by expense type, with reimbursement estimates set  
6 forth in the contract. Any additional expenses for which the  
7 public adjuster requests reimbursement shall be disclosed in  
8 writing to the insured, and must be approved by the insured  
9 prior to reimbursement.

10 (12) A statement that the public adjuster shall not render  
11 services or perform acts that constitute the practice of law.

12 (13) A statement that the public adjuster shall not act on  
13 behalf of or aid any person in negotiation or settlement of a  
14 claim related to bodily injury, death, or noneconomic damages.

15 (14) The process for rescinding the contract, including  
16 the date by which rescission of the contract by the public  
17 adjuster or the insured must occur. The public adjuster  
18 shall provide notice of the insured's rights under chapter  
19 555A, and the insured may rescind the contract as provided in  
20 chapter 555A. A contract shall not be construed to prevent an  
21 insured from pursuing a civil remedy after the revocation or  
22 cancellation period. If the insured rescinds the contract,  
23 anything of value given by the insured shall be returned to the  
24 insured within fifteen business days following receipt of the  
25 cancellation notice by the public adjuster.

26 *b.* A contract provision shall not be redacted in a copy of  
27 the contract submitted to the commissioner. Such redaction  
28 shall constitute a violation of this chapter, and shall be  
29 subject to penalties under sections 522C.13 and 522C.14.

30 2. If the insurer, no later than five calendar days  
31 after the date on which the insured's loss is reported to  
32 the insurer, either pays or commits in writing to pay to the  
33 insured the policy limit of the insured's insurance policy, the  
34 public adjuster shall:

35 *a.* Inform the insured that the total amount of loss claimed

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1 by the insured may not be agreed to by the insurer.

2 *b.* Only be entitled to reasonable compensation from the  
3 insured for services provided on behalf of the insured based on  
4 the time spent on the claim, and the expenses incurred by the  
5 public adjuster, until the date the insurer pays the claim or  
6 provides the insured with a written commitment that the insurer  
7 will pay the claim.

8 3. A public adjuster contract shall not contain a provision  
9 that does any of the following:

10 *a.* Allows the public adjuster's percentage of a settlement  
11 to be collected if money is still due from an insurer, or that  
12 allows the public adjuster to collect the entire percentage  
13 of a settlement from any single payment issued by an insurer  
14 rather than as a percentage of each payment issued by the  
15 insurer.

16 *b.* Requires or permits the insured to authorize an insurer  
17 to issue a check only in the name of the public adjuster.

18 *c.* Imposes collection costs or late fees.

19 *d.* Allows the public adjuster's compensation to be increased  
20 based on the fact that a claim is litigated.

21 *e.* Precludes either an insured or the public adjuster from  
22 pursuing civil remedies.

23 *f.* Restricts an insured's right to initiate or maintain  
24 direct communication with the insured's attorney or insurer,  
25 with the insurer's adjuster or attorney, or any other person  
26 regarding settlement of the insured's claim.

27 *g.* Grants the public adjuster power of attorney or limited  
28 power of attorney of the insured.

29 *h.* Requires the insured to use a particular business entity  
30 or individual for the reconstruction, repair, or restoration of  
31 the insured's damaged property.

32 4. Prior to execution of the contract, the public adjuster  
33 shall review the terms of the contract with the insured  
34 and provide the insured with a separate disclosure document  
35 regarding the claim process that shall include the following:

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1 DISCLOSURE DOCUMENT  
2 REGARDING THE CLAIM PROCESS  
3 1. PROPERTY INSURANCE POLICIES OBLIGATE THE INSURED TO  
4 PRESENT A CLAIM TO THE INSURED'S INSURER FOR CONSIDERATION.  
5 THERE ARE THREE TYPES OF ADJUSTERS THAT MAY BE INVOLVED IN THAT  
6 PROCESS. THE THREE TYPES ARE AS FOLLOWS:  
7 (A) "STAFF ADJUSTER" IS DEFINED IN IOWA CODE SECTION 522C.2.  
8 A STAFF ADJUSTER IS EMPLOYED BY THE INSURER. THEY WILL NOT  
9 CHARGE THE INSURED A FEE.  
10 (B) "INDEPENDENT ADJUSTER" IS DEFINED IN IOWA CODE SECTION  
11 522C.2. AN INDEPENDENT ADJUSTER IS CONTRACTED BY THE INSURER  
12 TO REPRESENT THE INSURER. THEY WILL NOT CHARGE THE INSURED A  
13 FEE.  
14 (C) "PUBLIC ADJUSTER" IS DEFINED IN IOWA CODE SECTION  
15 522C.2. A PUBLIC ADJUSTER IS NOT AN EMPLOYEE OR REPRESENTATIVE  
16 OF THE INSURER. THEY ARE HIRED BY THE INSURED TO ASSIST IN THE  
17 PREPARATION, PRESENTATION, AND SETTLEMENT OF A CLAIM.  
18 2. THE INSURED IS NOT REQUIRED TO HIRE A PUBLIC ADJUSTER  
19 TO HELP THE INSURED MEET THE INSURED'S OBLIGATIONS UNDER THE  
20 INSURED'S POLICY, BUT HAS THE RIGHT TO DO SO.  
21 3. THE INSURED HAS THE RIGHT TO INITIATE DIRECT  
22 COMMUNICATIONS WITH THE INSURED'S ATTORNEY, THE INSURED'S  
23 INSURANCE COMPANY, THE INSURANCE COMPANY'S STAFF ADJUSTER OR  
24 INDEPENDENT ADJUSTER, THE INSURANCE COMPANY'S ATTORNEY, OR ANY  
25 OTHER PERSON REGARDING THE SETTLEMENT OF THE INSURED'S CLAIM.  
26 4. THE INSURED MAY BE RESPONSIBLE FOR ANY AMOUNT PAYABLE TO  
27 A PUBLIC ADJUSTER RELATED TO ANY PORTION OF A CLAIM THAT WAS  
28 PREVIOUSLY PAID IN PART, IN FULL, OR SETTLED BY THE INSURER  
29 PRIOR TO A CONTRACT BEING ENTERED INTO BETWEEN THE PUBLIC  
30 ADJUSTER AND THE INSURED.  
31 5. THE AMOUNT PAYABLE TO A PUBLIC ADJUSTER, WHICH CAN  
32 INCLUDE A SALARY, FEE, COMMISSION, OR OTHER CONSIDERATION AS  
33 OUTLINED IN THE CONTRACT, IS THE OBLIGATION OF THE INSURED, NOT  
34 THE INSURER.  
35 6. THE INSURED MAY FILE A COMPLAINT WITH THE IOWA INSURANCE

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1 DIVISION BY CALLING (877) 955-1212 OR VISITING IID.IOWA.GOV.

2 5. An original copy of a completed contract shall be  
3 provided to the public adjuster and to the insured. The  
4 commissioner may inspect the original contract in possession of  
5 the public adjuster at any time without prior notice.

6 6. Within seventy-two hours of executing a contract with an  
7 insured under this section, the public adjuster shall provide  
8 the insured's insurer a notification letter, which has been  
9 signed by the insured, authorizing the public adjuster to  
10 represent the insured's interest. The insurer shall verify  
11 that the public adjuster is currently licensed with the  
12 division.

13 7. A contract between a public adjuster and an insured  
14 executed on a form in violation of subsection 1, paragraph "a",  
15 shall not be enforceable in this state.

16 Sec. 46. NEW SECTION. 522C.11 Adjusters — standards of  
17 conduct.

18 1. A public adjuster shall serve with objectivity and  
19 complete loyalty to the interest of the insured. A public  
20 adjuster shall render to the insured in good faith information,  
21 counsel, and service, that in the opinion of the public  
22 adjuster will best serve the insured's insurance claim needs  
23 and interest. These duties extend to the claims process and  
24 include providing timely responses to both the insurer and the  
25 insured.

26 2. For a minimum of seventy-two hours following a  
27 catastrophic disaster, to allow time for the commissioner  
28 to safely deploy consumer protection resources, a public  
29 adjuster shall not, in person or by telephone, directly offer  
30 to contract, attempt to offer to contract, or enter into an  
31 adjuster contract with an insured unless the offer to contract,  
32 the attempt to offer to contract, or entering into a contract  
33 is initiated by a consumer. If the commissioner deems the  
34 severity of the catastrophic disaster to have placed people  
35 under duress, the commissioner shall immediately dispatch the

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1 consumer advocate and other personnel to the disaster area to  
2 provide consumer guidance. If, after a public hearing, the  
3 commissioner determines that, due to the scope and severity  
4 of the catastrophic disaster, additional time is necessary to  
5 safely deploy additional consumer protection resources, the  
6 commissioner may extend the time period that a public adjuster  
7 shall not offer to contract, attempt to offer to contract, or  
8 enter into a contract for an additional seventy-two hours.

9 3. A public adjuster shall not solicit between the hours  
10 of 8:00 p.m. and 9:00 a.m. Solicitation shall include but is  
11 not limited to a door-to-door sale as that term is defined in  
12 section 555A.1.

13 4. A public adjuster, or an independent adjuster, shall not  
14 permit an unlicensed employee or representative of the public  
15 adjuster or independent adjuster, nor any person associated  
16 with a claim, to conduct business for which a license is  
17 required under this chapter.

18 5. An adjuster shall not have a direct or indirect financial  
19 interest in any aspect of a claim other than the amount payable  
20 pursuant to the written contract with an insured under section  
21 522C.10.

22 6. An adjuster shall not acquire any interest in salvage of  
23 property.

24 7. An adjuster shall not undertake the adjustment of any  
25 claim if the adjuster is not competent and knowledgeable as  
26 to the terms and conditions of the insurance coverage, or if  
27 the loss or coverage otherwise exceeds the adjuster's current  
28 expertise.

29 8. An independent adjuster or public adjuster shall  
30 maintain all documentation relating to all estimates and  
31 coverage determinations for a minimum of five years from the  
32 date of completion of a settlement.

33 9. An adjuster shall not knowingly make any false oral or  
34 written material statements regarding any person engaged in the  
35 business of insurance, or any other adjuster, to an insured who

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1 is a client or potential client.

2 10. a. An adjuster shall not reasonably act, or fail to  
3 act, in any manner that obstructs or prevents an insurer or  
4 adjuster from timely conducting an inspection of any part of  
5 an insured's property for which there is a claim for loss or  
6 damage.

7 b. If a public adjuster is unavailable after reasonable  
8 request by an insurer, resulting in delay of the insurer's  
9 timely inspection of the property, the insured shall allow  
10 the insurer to have access to the property without the  
11 participation or presence of the public adjuster to facilitate  
12 the insurer's prompt inspection of the loss or damage.

13 11. An adjuster shall respond to an inquiry from an insurer  
14 or an insured regarding a claim within fifteen business days  
15 of the date of the inquiry unless good cause exists for delay.  
16 The adjuster shall reply within fifteen business days to all  
17 pertinent communications from the insured, the insurer, or a  
18 representative of the insured or the insurer that reasonably  
19 suggest that a response is expected.

20 12. Upon receiving notification of a claim, an insurer shall  
21 provide necessary claim forms, instructions, and reasonable  
22 assistance within fifteen business days of notification of the  
23 claim so that first-party claimants can comply with the policy  
24 conditions and the insurer's reasonable requirements.

25 13. An adjuster shall not act as an appraiser and as an  
26 adjuster on the same claim.

27 14. An adjuster shall not act as an umpire and as an  
28 adjuster on the same claim.

29 15. A public adjuster shall not enter into a contract or  
30 accept a power of attorney or limited power of attorney for an  
31 insured.

32 16. a. An independent adjuster shall not act as an  
33 independent adjuster and a public adjuster on the same claim.

34 b. A public adjuster shall not act as a public adjuster and  
35 an independent adjuster on the same claim.

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1 17. A staff adjuster may be licensed as a public adjuster  
2 or as an independent adjuster, but shall be prohibited from  
3 providing services as an independent adjuster or a public  
4 adjuster while employed as a staff adjuster.

5 18. A public adjuster shall not agree to, or reject, any  
6 loss settlement without the insured's express knowledge and  
7 written consent.

8 19. An adjuster shall not engage in any act or practice  
9 that is a conflict of interest. A conflict of interest shall  
10 include but is not limited to the following:

11 a. A direct or indirect financial interest with a person  
12 responsible for the reconstruction, repair, or restoration of  
13 damaged property that is the subject of a claim, or with a  
14 person involved in resolving a claim valuation dispute.

15 b. A direct or indirect financial interest, or other  
16 valuable consideration regardless of form or amount paid to an  
17 adjuster in exchange for referring an insured to an appraiser,  
18 umpire, construction company, contractor, salvage company, or  
19 attorney.

20 c. Being an owner, employee, agent, investor, or having  
21 other financial interest in a business entity responsible for  
22 the reconstruction, repair, or restoration of damaged property  
23 that is the subject of a claim, or having an immediate family  
24 member who is an owner, employee, agent, or investor in a  
25 business entity responsible for the reconstruction, repair,  
26 or restoration of a damaged property that is the subject of a  
27 claim.

28 d. Entering into a written or verbal contract, or formal  
29 or informal agreement, with any person that compromises the  
30 adjuster's duty of loyalty to the insured.

31 e. Using claim information obtained in the course of a claim  
32 investigation for commercial purposes including marketing or  
33 advertising for the benefit of the adjuster.

34 20. A public adjuster shall not file a complaint with  
35 the division on behalf of an insured without the insured's

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1 knowledge and written consent.

2 21. An adjuster shall not represent, directly or  
3 indirectly, that damage has occurred at a property unless the  
4 adjuster has inspected the damaged areas of the property.

5 22. An adjuster shall produce a detailed written estimate to  
6 repair or replace covered damages and provide a copy to both  
7 the insured and the insurer in a timely manner.

8 23. A public adjuster shall not offer to pay an insured's  
9 deductible, or claim that the insured's deductible will be  
10 waived, as an inducement to use the services of the public  
11 adjuster.

12 24. An adjuster shall respond reasonably promptly to  
13 inquiries by the division.

14 25. A public adjuster shall provide a detailed invoice for  
15 completed services to an insured prior to requesting payment  
16 for services pursuant to a contract under section 522C.10.

17 26. Funds received or held by a public adjuster on behalf of  
18 an insured toward the settlement of a claim shall be:

19 *a.* Held in a fiduciary capacity.

20 *b.* Deposited by the adjuster into one or more separate  
21 noninterest-bearing fiduciary trust accounts in a financial  
22 institution licensed to do business in this state no later  
23 than the close of the second business day from the date the  
24 public adjuster received the funds, and either deposited in the  
25 insured's name or in the name of the public adjuster as trustee  
26 for the insured, to be held and administered as a trust account  
27 for the benefit and protection of the insured.

28 *c.* Held separately from personal or nonbusiness funds.

29 *d.* Held separately from other business funds.

30 *e.* Listed specifically and separately, by the insured's name  
31 and the amount in trust in the book of accounts and records of  
32 the public adjuster. The book of accounts and records must  
33 indicate the fiduciary nature of the account and any amounts  
34 deposited or withdrawn.

35 *f.* Disbursed within thirty calendar days of receipt of an

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1 invoice by the public adjuster from a contractor that completed  
2 work, if the public adjuster receives approval of the insured  
3 that the work was satisfactorily completed.

4 27. A public adjuster shall comply with all applicable local  
5 ordinances.

6 28. An adjuster who fails to comply with this section shall  
7 be subject to penalties under sections 522C.13 and 522C.14.

8 Sec. 47. NEW SECTION. **522C.12 Adjusters — records.**

9 1. An adjuster shall have a continuing duty to keep, at  
10 the adjuster's place of business, usual and customary records  
11 pertaining to transactions undertaken by the adjuster. All  
12 such records shall be kept available and open for inspection  
13 by the division at any time during regular business hours;  
14 however, the division is not entitled to inspect any records  
15 prepared in anticipation of litigation or that are subject to  
16 any privilege recognized in chapter 622. The records shall be  
17 maintained for a minimum of five years from the date of the  
18 adjuster transaction.

19 2. An adjuster who fails to comply with this section shall  
20 be subject to penalties under sections 522C.13 and 522C.14.

21 Sec. 48. NEW SECTION. **522C.13 License denial, nonrenewal,  
22 suspension, or revocation.**

23 1. The division may place on probation, suspend, revoke, or  
24 refuse to issue or renew an adjuster's license, and may levy a  
25 civil penalty as provided in section 522C.14, for one or more  
26 of the following causes:

27 *a.* The adjuster provided incorrect, misleading, incomplete,  
28 or materially untrue information in a license application.

29 *b.* The adjuster violated an insurance law, regulation,  
30 subpoena, or order of the commissioner or of a commissioner of  
31 another state.

32 *c.* The adjuster obtained or attempted to obtain a license  
33 through misrepresentation or fraud.

34 *d.* The adjuster improperly withheld, misappropriated, or  
35 converted money or property received in the course of doing

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1 business.

2 *e.* The adjuster was convicted of a felony.

3 *f.* The adjuster admitted to, or was found to have committed,  
4 any unfair trade practice or fraud.

5 *g.* The adjuster used fraudulent, coercive, or dishonest  
6 practices, or demonstrated incompetence, untrustworthiness, or  
7 financial irresponsibility, or was a source of injury or loss  
8 in the conduct of business in this state or elsewhere.

9 *h.* The adjuster had any professional license, or its  
10 equivalent, denied, suspended, or revoked in this state or any  
11 other state, province, district, or territory.

12 *i.* The adjuster forged another's name to any document  
13 related to the adjuster's work as an adjuster.

14 *j.* The adjuster improperly used notes or any other reference  
15 material to complete an examination for an adjuster license.

16 *k.* The adjuster knowingly negotiated as an adjuster with an  
17 individual or business entity who is not, but is required to  
18 be, licensed as an adjuster, appraiser, or umpire.

19 *l.* The adjuster failed to comply with an administrative or  
20 court order imposing a child support obligation.

21 *m.* The adjuster failed to comply with an administrative  
22 or court order related to repayment of loans to the college  
23 student aid commission.

24 *n.* The adjuster failed to pay state income tax or to comply  
25 with any administrative or court order directing payment of  
26 state income tax.

27 *o.* The adjuster failed or refused to cooperate in  
28 an investigation conducted by the commissioner or the  
29 commissioner's designee.

30 *p.* The adjuster intentionally misrepresented the terms of an  
31 actual or proposed contract for services.

32 2. If the commissioner does not renew an adjuster's license  
33 or denies an application for a license, the commissioner shall  
34 notify the adjuster or applicant and advise, in writing, of  
35 the reason for the nonrenewal of the license or denial of

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1 the application for a license. The adjuster or applicant  
2 may request a hearing on the nonrenewal or denial by filing  
3 a written request for a hearing within thirty calendar days  
4 from the date of notice of the nonrenewal or denial. A hearing  
5 shall be conducted according to section 522C.15.

6 3. The license of a business entity may be suspended,  
7 revoked, placed on probation, or refused if the commissioner  
8 finds, after hearing, that an individual adjuster's violation  
9 was known or should have been known by a licensed partner,  
10 officer, or manager of the business entity and the violation  
11 was not reported to the commissioner and corrective action was  
12 not taken.

13 4. The license of a nonresident adjuster shall be  
14 immediately inactive if the nonresident adjuster is placed on  
15 probation, suspended, revoked, refused, or denied licensure in  
16 any other state. The nonresident adjuster shall have seven  
17 calendar days to alert the commissioner that the nonresident  
18 adjuster has been placed on probation, suspended, revoked,  
19 refused, nonrenewed, or denied licensure in another state.  
20 Failure to meet the reporting deadline shall be a violation of  
21 this section.

22 5. In addition to, or in lieu of, denial, probation,  
23 suspension, or revocation of a license under this section, an  
24 adjuster, after hearing, may be subject to a civil penalty as  
25 provided in section 522C.14.

26 6. The commissioner may enforce this chapter, may conduct  
27 an investigation of any suspected violation of this chapter,  
28 and may impose any penalty or remedy authorized by this chapter  
29 against any person who is under investigation for, or charged  
30 with, a violation of this chapter even if the person's license  
31 has been surrendered or has lapsed by operation of law.

32 7. a. All complaint files, investigation files,  
33 investigation reports, and other investigative information  
34 in the possession of the commissioner or the commissioner's  
35 agents that relates to adjuster discipline shall be privileged

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1 and confidential, and shall not be subject to discovery,  
2 subpoena, or other means of legal compulsion for release to a  
3 person other than the adjuster, and shall not be admissible in  
4 evidence in a judicial or administrative proceeding other than  
5 a proceeding involving adjuster discipline. A final written  
6 decision of the commissioner in a disciplinary proceeding shall  
7 be a public record.

8 *b.* Investigative information in the possession of the  
9 commissioner or the commissioner's agents that relates to  
10 adjuster discipline may be disclosed, at the commissioner's  
11 discretion. The commissioner may share documents, materials,  
12 or other information, including confidential and privileged  
13 documents and materials subject to this subsection, with other  
14 state, federal, and international regulatory agencies, with  
15 NAIC, its affiliates or subsidiaries, and with state, federal,  
16 and international law enforcement authorities, provided  
17 that the recipient agrees to maintain the confidentiality  
18 and privileged status of the document, material, or other  
19 information.

20 *c.* If the investigative information in the possession of the  
21 commissioner or the commissioner's agents indicates a crime has  
22 been committed, the information shall be reported to the proper  
23 law enforcement agency.

24 8. *a.* Pursuant to section 17A.19, subsection 6, upon an  
25 appeal by the adjuster, the commissioner shall transmit the  
26 entire record of the contested case to the reviewing court.

27 *b.* Notwithstanding section 17A.19, subsection 6, if a  
28 waiver of privilege has been involuntary and evidence has been  
29 received at a disciplinary hearing, the court shall issue  
30 an order to withhold the identity of the individual whose  
31 privilege was waived.

32 **Sec. 49. NEW SECTION. 522C.14 Civil and criminal penalties.**

33 1. *a.* Upon a determination by the commissioner after a  
34 hearing conducted pursuant to chapter 17A that an adjuster has  
35 violated a provision of this chapter, the commissioner shall

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1 reduce the findings of the hearing to writing and deliver a  
2 copy of the findings to the adjuster.

3     *b.* Upon a determination by the commissioner that an adjuster  
4 has engaged, is engaging, or is about to engage in any act or  
5 practice constituting a violation of this chapter or a rule  
6 adopted or order issued under this chapter, the commissioner  
7 may take the following actions:

8     (1) Issue an order requiring the adjuster to cease and  
9 desist from engaging in the conduct resulting in the violation.

10     (2) Assess a civil penalty against the adjuster of not more  
11 than one thousand dollars for each violation of this chapter,  
12 not to exceed an aggregate of ten thousand dollars.

13     (3) If the adjuster knew or reasonably should have known  
14 the adjuster was in violation of this chapter, assess a  
15 civil penalty of not more than five thousand dollars for each  
16 violation of this chapter, not to exceed an aggregate penalty  
17 of fifty thousand dollars in any one six-month period.

18     (4) (a) Issue a summary order, including a brief statement  
19 of findings of fact, conclusions of law, and policy reasons for  
20 the decision, and directing the adjuster to cease and desist  
21 from engaging in the act or practice or to take affirmative  
22 action as is necessary in the judgment of the commissioner to  
23 comply with the requirements of this chapter.

24     (b) An adjuster may contest a summary order by filing,  
25 within thirty calendar days from the date of the issuance of  
26 the summary order, a written request for a contested case  
27 proceeding and hearing as provided in chapter 17A and in  
28 accordance with rules adopted by the commissioner. Section  
29 17A.18A shall be inapplicable to a summary order issued under  
30 this subsection. If a hearing is not requested within thirty  
31 calendar days from the date of issuance of the summary order,  
32 the summary order shall become final by operation of law. A  
33 summary order shall remain effective from the date of issuance  
34 until the date the order becomes final by operation of law,  
35 or is modified or overturned by a presiding officer or court

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1 following a request for hearing.

2 (c) An adjuster violating a summary order issued under this  
3 subsection shall be deemed in contempt of the summary order.

4 The commissioner may petition the district court to enforce the  
5 order as certified by the commissioner. The district court  
6 shall find the adjuster in contempt of the order if the court  
7 finds, after conducting a hearing, that the adjuster is not  
8 in compliance with the order. The court may assess a civil  
9 penalty against the adjuster and may issue further orders as  
10 the court deems appropriate.

11 c. In addition to any other penalty under this section,  
12 if the commissioner finds that a violation of this chapter  
13 was directed, encouraged, condoned, ignored, or ratified by  
14 the employer of the adjuster, the commissioner shall assess a  
15 penalty to the employer. Penalties under this paragraph may be  
16 retained by the commissioner under section 505.7, subsection 9.

17 2. a. A person acting as an adjuster without proper  
18 licensure, or an adjuster who willfully violates any provision  
19 of this chapter or an order issued under this chapter, is  
20 guilty of a class "D" felony. If the violation results in a  
21 loss of more than ten thousand dollars, the person or adjuster  
22 is guilty of a class "C" felony.

23 b. An adjuster who steals, converts, or misappropriates  
24 funds that should be held in trust under section 522C.11, is  
25 guilty of a class "D" felony. If the violation results in a  
26 loss of more than ten thousand dollars, the adjuster is guilty  
27 of a class "C" felony.

28 c. The commissioner may refer such evidence as is available  
29 concerning a violation of this chapter, or of any rule adopted  
30 or order issued under this chapter, or of the failure of a  
31 person to comply with the licensing requirements of this  
32 chapter, to the attorney general or the proper county attorney  
33 who may institute the appropriate criminal proceedings under  
34 this chapter.

35 d. This chapter does not limit the power of the state to

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1 punish any person for conduct that constitutes a crime under  
2 any other statute.

3 3. Any contract regulated by this chapter that is entered  
4 into by an insured with a person who is not a licensed public  
5 adjuster in this state shall be void. If a contract is void,  
6 the insured is not liable for the payment for any past services  
7 rendered, or future services to be rendered, by that person.

8 Sec. 50. NEW SECTION. **522C.15 Reinstatement or reissuance**  
9 **of a license after disciplinary matters — forfeiture in lieu of**  
10 **compliance.**

11 1. a. A person licensed as an adjuster under this chapter  
12 whose license has been revoked or suspended by order, or who  
13 forfeited a license in connection with a disciplinary matter,  
14 may apply to the commissioner for reinstatement or reissuance  
15 in accordance with the terms of the order of revocation or  
16 suspension, or the order accepting the forfeiture, and submit  
17 to a criminal history check under section 522B.5A.

18 b. Proceedings for reinstatement or reissuance shall be  
19 initiated by the applicant who shall file with the commissioner  
20 an application for reinstatement or reissuance after  
21 disciplinary action. An applicant shall not be eligible for  
22 reinstatement or reissuance until the applicant satisfies the  
23 requirements under section 522C.5, 522C.5A, 522C.5B, 522C.5C,  
24 or 522C.5D, as applicable, and the examination requirements  
25 under section 522C.8. An applicant may also be required to  
26 submit a new or renewal adjuster application under section  
27 522C.5A, 522C.5B, 522C.5C, or 522C.5D, as applicable.

28 c. An application for reinstatement or reissuance shall  
29 allege facts which, if established, are sufficient to enable  
30 the commissioner to determine that the basis of revocation,  
31 suspension, or forfeiture of the applicant's license no longer  
32 exists, and must disclose if the applicant has engaged in  
33 any conduct listed as a cause for licensing action that was  
34 not included in the order for suspension, revocation, or  
35 forfeiture.

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1     *d.* An application for reinstatement or reissuance shall  
2 allege facts which, if established, are sufficient to enable  
3 the commissioner to determine that it is in the public  
4 interest for the application to be granted. The commissioner  
5 may determine that it is not in the public interest if the  
6 applicant has engaged in any conduct listed as a cause for  
7 licensing action that was not included in the order for  
8 suspension, revocation, or forfeiture, or if the applicant does  
9 not have the character and fitness to be a licensed adjuster  
10 in this state.

11     *e.* The burden of proof to establish facts identified in  
12 paragraphs "*c*" and "*d*" shall be on the applicant.

13     *f.* An adjuster may request reinstatement of a suspended  
14 license prior to the end of the suspension term.

15     *g.* Unless otherwise provided by law, if an order of  
16 revocation or suspension did not establish terms on which  
17 reinstatement or reissuance may occur, or if the license  
18 was forfeited, an initial application for reinstatement or  
19 reissuance shall not be made until at least one year from the  
20 date of the order of the suspension, revocation, or acceptance  
21 of the forfeiture of a license.

22     2. All proceedings on an application for reinstatement or  
23 reissuance, including preliminary and ancillary matters, shall  
24 be held in accordance with chapter 17A. The application shall  
25 be docketed in the original case in which the original license  
26 was suspended, revoked, or forfeited, if the case exists.

27     3. An order of reinstatement or reissuance shall be based  
28 on a written decision which incorporates findings of fact  
29 and conclusions of law. An order granting an application  
30 for reinstatement or reissuance may impose such terms and  
31 conditions as the commissioner or the commissioner's designee  
32 deems appropriate, and may include one or more penalties  
33 provided under section 522C.14. The order shall be a public  
34 record and may be disseminated in compliance with chapter 22.

35     4. If an adjuster's ordered suspension period ends prior to

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1 the adjuster's license expiration date and the adjuster applies  
2 for reinstatement prior to the license expiration date and  
3 meets all applicable requirements, the division shall reinstate  
4 the license as soon as practicable but no earlier than the end  
5 of the suspension period if the division, after a complete  
6 review, determines the license should be reinstated.

7 5. If an adjuster's license is suspended beyond the  
8 adjuster's license expiration date, whether due to an ordered  
9 suspension time period or failure to apply for reinstatement  
10 prior to expiration, the adjuster must apply for reissuance.

11 6. A submission of voluntary forfeiture of a license  
12 shall be made in writing to the commissioner. Forfeiture of  
13 a license is effective on the date of submission unless a  
14 contested case proceeding is pending on the date of submission.  
15 If a contested case proceeding is pending, the forfeiture  
16 shall become effective upon conditions as ordered by the  
17 commissioner. A forfeiture made during the pendency of a  
18 contested case proceeding shall be considered a disciplinary  
19 action and shall be published in the same manner as is  
20 applicable to any other form of disciplinary order.

21 7. The commissioner shall not be prohibited from denying an  
22 application for reinstatement or reissuance, or from bringing  
23 an additional immediate action, if an adjuster has engaged in  
24 an additional violation of chapter 507B or 522C, or otherwise  
25 failed to meet all applicable requirements.

26 8. This section shall not apply to reinstatement of an  
27 expired license or issuance of a new license that is not in  
28 connection with a disciplinary matter.

29 **Sec. 51. NEW SECTION. 522C.16 Suspension for failure to**  
30 **pay child support or state debt.**

31 1. The commissioner shall deny an adjuster's application  
32 for license issuance, renewal, reinstatement, or reissuance;  
33 suspend a current license; or revoke a currently suspended  
34 license, upon receipt of a certificate of noncompliance from  
35 the child support recovery unit pursuant to chapter 252J,

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1 or upon receipt of a certificate of noncompliance from the  
2 centralized collection unit of the department of revenue  
3 pursuant to chapter 272D.

4 2. Upon receipt of a certificate of noncompliance under  
5 subsection 1, the commissioner shall issue a notice to the  
6 adjuster that the division will, unless the certificate of  
7 noncompliance is withdrawn, deny the adjuster's application  
8 for license issuance, renewal, reinstatement, or reissuance,  
9 suspend the adjuster's current license, or revoke the  
10 adjuster's currently suspended license, thirty calendar days  
11 after the date the notice is mailed. Notice shall be sent  
12 to the adjuster's last known address by restricted certified  
13 mail, return receipt requested, or in accordance with the  
14 division's rules for service. The notice shall contain all of  
15 the following:

16 a. A statement that the commissioner intends to deny  
17 the adjuster's application for license issuance, renewal,  
18 reinstatement, or reissuance; suspend the adjuster's current  
19 license; or revoke the adjuster's currently suspended license  
20 in thirty calendar days unless the certificate of noncompliance  
21 is withdrawn.

22 b. A statement that the adjuster must contact the agency  
23 that issued the certificate of noncompliance to request a  
24 withdrawal.

25 c. A statement that the adjuster does not have a right to  
26 a hearing before the division, but that the adjuster may file  
27 an application for a hearing in district court pursuant to  
28 section 252J.9 or 272D.9, as applicable, and that the filing  
29 of an application by the adjuster will stay the proceedings of  
30 the division.

31 d. A copy of the certificate of noncompliance.

32 3. An adjuster shall keep the commissioner informed of all  
33 actions taken by the district court or the issuing agency in  
34 connection with a certificate of noncompliance. Within seven  
35 calendar days of filing or issuance, an adjuster shall provide

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1 to the commissioner a copy of all applications filed with the  
2 district court pursuant to an application or hearing, all  
3 court orders entered in such action, and all withdrawals of a  
4 certificate of noncompliance.

5 4. If an applicant or licensed adjuster timely files an  
6 application for hearing in district court and the division  
7 is notified of the filing, the commissioner's denial,  
8 suspension, or revocation proceedings shall be stayed until  
9 the division is notified by the district court, the issuing  
10 agency, the licensee, or the applicant of the resolution of  
11 the application. Upon receipt of a court order lifting the  
12 stay or otherwise directing the commissioner to proceed, the  
13 commissioner shall continue with the intended action described  
14 in the notice.

15 5. If the commissioner does not receive a withdrawal of  
16 the certificate of noncompliance from the issuing agency, or a  
17 notice from a clerk of court, the issuing agency, the licensee,  
18 or the applicant that an application for hearing has been filed  
19 within thirty calendar days after the notice is issued, the  
20 commissioner shall deny the adjuster's application for license  
21 issuance, renewal, reinstatement, or reissuance; suspend a  
22 current license; or revoke a currently suspended license.

23 6. Upon receipt of a withdrawal of a certificate of  
24 noncompliance from the issuing agency, suspension or revocation  
25 proceedings shall halt and the named adjuster shall be notified  
26 that the proceedings have halted. If the adjuster's license  
27 has already been suspended, the adjuster must apply for  
28 reinstatement in accordance with section 522C.15, and the  
29 license shall be reinstated if the adjuster is otherwise in  
30 compliance with this chapter. If the adjuster's application  
31 for licensure was stayed, application processing shall resume.  
32 All fees required for license renewal, reinstatement, or  
33 reissuance must be paid by the adjuster, and all continuing  
34 education requirements shall be satisfied, before the  
35 adjuster's license is renewed or reinstated after a license

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1 suspension or revocation under this chapter.

2 7. The commissioner shall notify an adjuster in writing  
3 through regular first class mail, or such other means as the  
4 commissioner deems appropriate under the circumstances, within  
5 ten calendar days of the effective date of the suspension or  
6 revocation of the adjuster's license, and shall also notify the  
7 adjuster when the adjuster's license is reinstated following  
8 the commissioner's receipt of a withdrawal of the certificate  
9 of noncompliance.

10 8. Notwithstanding any provision of law to the contrary, the  
11 division may share information with the child support recovery  
12 unit or the centralized collection unit of the department of  
13 revenue for the sole purpose of identifying adjusters subject  
14 to enforcement under chapter 252J or 272D.

15 Sec. 52. NEW SECTION. 522C.17 Severability.

16 If any provision of this chapter or the application thereof  
17 to any person or circumstance is held invalid, the invalidity  
18 does not affect other provisions or applications of this  
19 chapter which can be given effect without the invalid provision  
20 or application, and to this end the provisions of this chapter  
21 are severable.

22 DIVISION VI

23 LICENSING AND REGULATION OF APPRAISERS AND UMPIRES

24 Sec. 53. Section 522B.5A, subsection 2, paragraph c, Code  
25 2025, is amended to read as follows:

26 c. A renewal, reinstatement, or reissuance of a license  
27 if the license of a producer has been revoked or suspended  
28 pursuant to [section 522B.11](#), the license of a public adjuster  
29 has been revoked or suspended pursuant to ~~section 522C.6~~  
30 [522C.13](#), ~~or~~ the license of a viatical settlement provider  
31 or viatical settlement broker has been revoked or suspended  
32 pursuant to [section 508E.4](#), or the license of an appraiser or  
33 an umpire has been revoked or suspended pursuant to section  
34 522F.20.

35 Sec. 54. Section 522B.5A, subsection 2, Code 2025, is

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1 amended by adding the following new paragraphs:

2 NEW PARAGRAPH. *f.* An initial license as an appraiser in  
3 this state.

4 NEW PARAGRAPH. *g.* An initial license as an umpire in this  
5 state.

6 Sec. 55. NEW SECTION. **522F.1 Definitions.**

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

9 1. "*Adjuster*" means a person licensed pursuant to chapter  
10 522C.

11 2. "*Amount of loss*" means the monetary amount determined to  
12 be necessary to properly repair or replace damage related to a  
13 covered peril, and is limited to all applicable coverages for  
14 covered items associated with the claim.

15 3. "*Appraiser*" means a person licensed as an appraiser  
16 pursuant to section 522F.4.

17 4. "*Appraiser list*" means a list, maintained by the  
18 division, of all appraisers licensed by the division.

19 5. "*Claimant*" means a person who makes a first-party claim  
20 under a policy of property and casualty insurance.

21 6. "*Commissioner*" means the commissioner of insurance.

22 7. "*Disciplinary matter*" means an individual is the subject  
23 of an investigation, complaint, pending administrative action,  
24 or other such action in any state.

25 8. "*First-party claim*" means a claim filed by a named  
26 insured under an insurance policy against which a claim is  
27 made.

28 9. "*Good cause*" means a legally sufficient reason including  
29 but not limited to any of the following:

30 *a.* A conflict of interest.

31 *b.* A lack of independence or an inability to competently or  
32 promptly carry out the duties required under this chapter.

33 *c.* Any other reason that would reasonably be expected to  
34 impair an appraisal.

35 10. "*Immediate family*" means an individual's parent,

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1 sibling, child, grandchild, spouse, spouses of the individual's  
2 children, or parents of the individual's spouse.

3 11. *"Insured"* means a person covered under an insurance  
4 policy against which a claim is made.

5 12. *"Insurer"* means a person engaged in the business of  
6 insurance and regulated under chapter 507A, 508, 512B, 515, or  
7 520.

8 13. *"NIPR gateway"* means the communication network developed  
9 and operated by the national insurance producer registry that  
10 links state insurance regulators with regulated entities to  
11 facilitate the electronic exchange of adjuster information,  
12 including but not limited to license applications, license  
13 renewals, appointments, and terminations.

14 14. *"Party"* means an insurer or a claimant, including an  
15 employee, contractor, and other representative of an insurer  
16 or claimant.

17 15. *"Person"* means an individual or a business entity.

18 16. *"Reinstatement"* means the reinstatement of a suspended  
19 license which was suspended in connection with a disciplinary  
20 matter, and that has not expired or been terminated during the  
21 suspension period.

22 17. *"Reissuance"* means the issuance of a new license  
23 following the revocation of a license, the suspension and  
24 subsequent termination of a license, or the forfeiture of a  
25 license in connection with a disciplinary matter.

26 18. *"Umpire"* means a person licensed as an umpire pursuant  
27 to section 522F.9.

28 19. *"Umpire list"* means a list, maintained by the division,  
29 of all umpires licensed by the division.

30 Sec. 56. NEW SECTION. **522F.2 Rules.**

31 The commissioner may adopt rules pursuant to chapter 17A to  
32 administer this chapter.

33 Sec. 57. NEW SECTION. **522F.3 Appraiser's license —**  
34 **eligibility.**

35 1. A person shall not act as, or represent that the person

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1 is, an appraiser in this state unless the person is licensed  
2 under this chapter. A person that acts as an appraiser in this  
3 state solely for a crop hail or multiperil crop insurance claim  
4 shall not be subject to this chapter.

5 2. A person applying for an appraiser license shall submit  
6 an application on a uniform individual application or a uniform  
7 business entity application in the form and manner prescribed  
8 by the commissioner.

9 3. To be eligible for licensure under this chapter, a person  
10 shall meet all of the following criteria:

11 a. Have experience or training in building construction,  
12 repair, or estimating property damage.

13 b. Unless waived by the commissioner based on the person's  
14 other professional qualifications, have a minimum of three  
15 years' experience as any of the following:

16 (1) A professional engineer licensed under chapter 542B or  
17 similarly licensed in another state.

18 (2) An architect licensed under chapter 544A or similarly  
19 licensed in another state.

20 (3) An adjuster licensed under chapter 522C or similarly  
21 licensed in another state.

22 (4) A residential contractor as defined in section 103A.71.

23 (5) A contractor registered under chapter 91C or similarly  
24 registered in another state.

25 c. Pass a written examination as prescribed by the division.  
26 The examination shall test the knowledge of a person concerning  
27 the appraisal process, the duties and responsibilities of an  
28 appraiser, and the insurance laws and rules of this state.  
29 Examination results shall be valid for ninety calendar days  
30 from the date of examination.

31 d. Have the requisite character and competence, as  
32 determined by the division.

33 4. To determine an applicant's eligibility for licensure,  
34 the commissioner may require a criminal history check pursuant  
35 to section 522B.5A.

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1     Sec. 58. NEW SECTION. 522F.4 Appraisers — licensure,  
2 license renewal, and fees.

3     1. A person who meets the requirements under section 522F.3,  
4 unless otherwise denied licensure pursuant to section 522F.20,  
5 shall be issued an appraiser license that is valid for two  
6 years from the date of issue.

7     2. Any applicable fee for a criminal history check pursuant  
8 to section 522B.5A.

9     3. The fee for an initial appraiser license, or renewal of  
10 an appraiser license, shall be fifty dollars for a two-year  
11 license.

12    4. The fee for reinstatement of an expired appraiser license  
13 shall be one hundred dollars.

14    5. The fee for a reinstatement or reissuance of an appraiser  
15 license suspended or revoked due to a disciplinary action shall  
16 be one hundred dollars.

17    6. An appraiser's license shall contain the licensee's  
18 name, business address, appraisal license number, the date of  
19 issuance, the expiration date, and any other information the  
20 division deems necessary.

21    7. An appraiser licensed under this chapter shall be  
22 required to complete continuing education requirements, as  
23 prescribed by the division, to be eligible for license renewal  
24 or reinstatement.

25    8. An appraiser licensed under this chapter shall inform  
26 the division, in the manner and form specified by the division,  
27 of a change of legal name or business address within thirty  
28 calendar days of the change. Failure to timely inform the  
29 division may result in a penalty as specified in section  
30 522F.20.

31    9. The division shall publish an appraiser list on the  
32 division's internet site in a manner readily available to the  
33 public. The appraiser list shall include all of the following  
34 information for each licensed appraiser:

35    a. The business telephone number, business mailing address,

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1 business email address, and the county and state of residence  
2 of the appraiser as provided to the division by the appraiser  
3 for licensure.

4 *b.* The appraiser's area of training or expertise.

5 *c.* The date of the appraiser's initial licensure and the  
6 date the license expires.

7 10. Prior to approving a business entity's application for  
8 a license as an appraiser, the commissioner shall find that the  
9 business entity has designated an individual appraiser licensed  
10 in this state to be responsible for the business entity's  
11 compliance with the insurance laws and rules of this state.

12 **Sec. 59. NEW SECTION. 522F.5 Appraiser license**  
13 **reinstatement — not related to disciplinary action.**

14 1. An appraiser may apply for reinstatement of an expired  
15 license up to one year after the license expiration date  
16 by submitting a request through the NIPR gateway, paying a  
17 reinstatement fee and a license renewal fee, and submitting  
18 evidence to the division that the appraiser met the continuing  
19 education requirements under section 522F.4. An appraiser who  
20 fails to apply for license reinstatement within one year of the  
21 date of expiration of the appraiser's license must apply for  
22 a new license.

23 2. An appraiser who surrendered a license, not in connection  
24 with a disciplinary matter, and stated an intent to exit the  
25 appraiser business may file a request with the division to  
26 reactivate the appraiser license. The request must be received  
27 by the division within ninety calendar days of the date the  
28 appraiser's license was placed on inactive status. The request  
29 shall be granted if the former appraiser is otherwise eligible  
30 to receive an appraiser license. If the appraiser's request to  
31 reactivate the license is not received within ninety calendar  
32 days of the date the appraiser's license was placed on inactive  
33 status, the appraiser must apply for a new license.

34 3. An appraiser whose license is suspended, revoked,  
35 or forfeited in connection with a disciplinary matter, or

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1 forfeited in lieu of compliance, shall not be eligible for  
2 reinstatement under this section and must follow the procedures  
3 in section 522F.22.

4 Sec. 60. NEW SECTION. 522F.6 Appraisers — payment.

5 1. Each party to an appraisal shall be responsible for the  
6 following:

7 a. The party's own appraiser's fees and expenses.

8 b. An equal share of all reasonable and necessary fees and  
9 expenses incurred by an umpire, if necessary.

10 c. An equal share of all reasonable and necessary costs  
11 incurred in the course of conducting the appraisal.

12 2. a. An appraiser shall not charge any party on a basis  
13 dependent on the outcome of the written itemized award, or  
14 charge in a manner that relies on a barter arrangement, gift,  
15 favor, or in-kind exchange.

16 b. Prior to the conclusion of an appraisal process via  
17 final settlement or issuance of a written itemized award by  
18 an umpire, an appraiser shall not require, demand, or accept  
19 any fee, retainer, compensation, deposit, or other type  
20 of consideration, unless the loss is being handled by the  
21 appraiser on a time-plus-expense basis.

22 3. An appraiser shall not charge, and is not entitled to,  
23 a fee, compensation, deposit, or other type of consideration  
24 if the appraiser abandons the appraisal prior to the umpire  
25 issuing a written itemized award.

26 Sec. 61. NEW SECTION. 522F.7 Appraisers — standards of  
27 conduct.

28 1. An appraiser shall act with due diligence, including but  
29 not limited to demonstrating accuracy, fairness, and timeliness  
30 throughout an appraisal process.

31 2. a. (1) No later than five business days after being  
32 hired by a party to an appraisal and before beginning work as  
33 an appraiser, an appraiser shall disclose to all parties to the  
34 appraisal any potential conflict of interest.

35 (2) An appraiser shall not engage in any act or practice

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1 that is a conflict of interest during the appraisal.

2 (3) If a conflict of interest arises after the start of the  
3 appraisal process, an appraiser shall disclose the conflict of  
4 interest to the parties and shall withdraw from the appraisal  
5 process no more than five business days after the conflict of  
6 interest arose.

7 *b.* A conflict of interest shall include but is not limited  
8 to all of the following:

9 (1) An appraiser is a party to a lawsuit against any party  
10 to an appraisal.

11 (2) An appraiser is a party to, or a member or employee  
12 of a law firm that represents a party to, a current lawsuit  
13 involving an insurer that is a party to the appraisal.

14 (3) An appraiser has personally investigated, prosecuted,  
15 or advocated in connection with the appraisal.

16 (4) An appraiser has acted as counsel to any party to  
17 an appraisal within the two years immediately preceding the  
18 appraisal.

19 (5) An appraiser has a personal financial interest in the  
20 outcome of the appraisal or any other significant interest  
21 that could be substantially affected by the outcome of the  
22 appraisal.

23 (6) A member of an appraiser's immediate family is any of  
24 the following:

25 (a) A party to the appraisal, or an officer, director, or  
26 trustee of a party.

27 (b) A current employee of an appraiser or an adjuster to the  
28 appraisal.

29 (c) A business entity licensed as an adjuster that adjusted  
30 the loss at issue in the appraisal.

31 (d) Known to have an interest that could be substantially  
32 affected by the outcome of the appraisal.

33 (e) An immediate family member that has a legally sufficient  
34 reason that requires the appraiser to withdraw from the  
35 appraisal.

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1 3. An appraiser shall postpone an appraisal for a reasonable  
2 amount of time if any party demonstrates reasonable cause for  
3 a postponement. The appraiser shall notify all parties if  
4 the appraisal process is postponed. An appraiser's failure  
5 to timely notify all parties may result in a penalty under  
6 sections 522F.20 and 522F.21.

7 4. In the course of an appraisal, an appraiser shall  
8 consider all information provided by the parties and any  
9 other reasonably available evidence that is material to the  
10 appraisal.

11 5. In the course of an appraisal, an appraiser shall  
12 carefully decide all issues submitted for determination of the  
13 amount of loss and actual cash value.

14 6. In the course of an appraisal, an appraiser shall provide  
15 all parties a fair and reasonable itemized written appraisal  
16 detailing the amount of loss and actual cash value.

17 7. In the course of an appraisal, an appraiser shall ensure  
18 the appraiser's party is reasonably informed of all updates  
19 throughout the appraisal process.

20 8. An appraiser shall not permit outside influence to affect  
21 an appraisal.

22 9. An appraiser shall not allow a person other than the  
23 umpire for the appraisal to determine differences between the  
24 actual cash value and the amount of loss of each item on the  
25 appraisal.

26 10. a. An appraiser shall not communicate directly or  
27 indirectly with any of the following:

28 (1) An opposing party or representative of the opposing  
29 party other than the opposing party's appraiser.

30 (2) The umpire, unless reasonable notice and opportunity  
31 to participate in the communication is provided to an opposing  
32 appraiser.

33 b. Notwithstanding paragraph "a", an appraiser may  
34 communicate with an opposing party or an umpire in order to do  
35 any of the following:

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1 (1) Identify the party's counsel or experts.

2 (2) Discuss logistical matters, including the time and  
3 place of a meeting or to make arrangements for the conduct  
4 of the appraisal. The appraiser initiating contact with the  
5 umpire shall promptly inform an opposing appraiser.

6 (3) If an opposing appraiser fails to participate in a  
7 meeting or conference call after receiving reasonable notice  
8 and opportunity to participate, or if all parties agree  
9 in writing in advance of a meeting or conference call, an  
10 appraiser may discuss a claim with the umpire.

11 11. An appraiser shall not act as, or have ever acted as, an  
12 adjuster or umpire on the same claim.

13 12. An appraiser shall not withdraw or abandon an appraisal  
14 unless compelled by unforeseen circumstances that would render  
15 it impossible or impracticable for the appraiser to continue.

16 Sec. 62. NEW SECTION. 522F.8 Umpire license — eligibility.

17 1. An individual shall not act as, or represent that the  
18 individual is, an umpire in this state unless the individual  
19 is licensed under this chapter. An individual that acts as an  
20 umpire in this state solely for a crop hail or multiperil crop  
21 insurance claim shall not be subject to this chapter.

22 2. An individual applying for an umpire license shall submit  
23 an application on a uniform individual application in the form  
24 and manner prescribed by the commissioner.

25 3. To be eligible for licensure under this chapter, an  
26 individual shall meet all of the following criteria:

27 a. Unless waived by the commissioner based on the  
28 individual's other professional qualifications, have a minimum  
29 of three years' experience as any of the following:

30 (1) A professional engineer licensed under chapter 542B or  
31 similarly licensed in another state.

32 (2) An architect licensed under chapter 544A or similarly  
33 licensed in another state.

34 (3) An adjuster licensed under chapter 522C or similarly  
35 licensed in another state.

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1 (4) An appraiser licensed under this chapter or similarly  
2 licensed in another state.

3 (5) An attorney licensed in this state, or another state,  
4 with experience in first-party property damage litigation.

5 (6) An insurance regulator.

6 b. Pass a written examination as prescribed by the  
7 division. The examination shall test the knowledge of the  
8 individual concerning the appraisal process, the duties and  
9 responsibilities of an umpire, and the insurance laws and rules  
10 of this state. Examination results shall be valid for ninety  
11 calendar days from the date of examination.

12 c. Have the requisite character and competence, as  
13 determined by the division.

14 4. To determine an applicant's eligibility for licensure,  
15 the commissioner may require a criminal history check pursuant  
16 to section 522B.5A.

17 Sec. 63. NEW SECTION. 522F.9 Umpires — licensure, license  
18 renewal, and fees.

19 1. An individual who meets the requirements of section  
20 522F.8, unless otherwise denied licensure pursuant to section  
21 522F.20, shall be issued an umpire license that is valid for  
22 two years from the date of issue.

23 2. Any applicable fee for a criminal history check pursuant  
24 to section 522B.5A.

25 3. The fee for an initial umpire license, or renewal of an  
26 umpire license, shall be fifty dollars for a two-year license.

27 4. The fee for reinstatement of an expired umpire license  
28 shall be one hundred dollars.

29 5. The fee for a reinstatement or reissuance of an umpire  
30 license suspended or revoked due to a disciplinary action shall  
31 be one hundred dollars.

32 6. An umpire's license shall contain the licensee's name,  
33 business address, umpire license number, the date of issuance,  
34 the expiration date, and any other information the division  
35 deems necessary.

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1 7. An umpire licensed under this chapter shall be required  
2 to complete continuing education requirements, as prescribed  
3 by the division to be eligible for license renewal or  
4 reinstatement.

5 8. An umpire licensed under this chapter shall inform the  
6 division, in the manner and form specified by the division,  
7 of a change of legal name or business address within thirty  
8 calendar days of the change. Failure to timely inform the  
9 division may result in a penalty as specified in sections  
10 522F.20 and 522F.21.

11 9. The division shall publish an umpire list on the  
12 division's internet site in a manner that is readily available  
13 to the public. The umpire list shall include all of the  
14 following information for each licensed umpire:

15 a. The business telephone number, business mailing address,  
16 business email address, and the county and state of residence  
17 of the umpire as provided to the division by the umpire for  
18 licensure.

19 b. The umpire's area of training and expertise.

20 c. The date of the umpire's initial licensure and the date  
21 the license expires.

22 Sec. 64. NEW SECTION. 522F.10 Umpire license reinstatement  
23 — not related to disciplinary action.

24 1. An umpire may apply for reinstatement of an expired  
25 license up to one year after the license expiration date  
26 by submitting a request through the NIPR gateway, paying a  
27 reinstatement fee, and submitting evidence to the division that  
28 the umpire met the continuing education requirements under  
29 section 522F.9. An umpire who fails to apply for license  
30 reinstatement within one year of the date of expiration of the  
31 umpire's license must apply for a new license.

32 2. An umpire who surrendered a license, not in connection  
33 with a disciplinary matter, and stated an intent to exit the  
34 umpire business, may file a request with the division to  
35 reactivate the umpire license. The request must be received

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1 by the division within ninety calendar days of the date the  
2 umpire's license was placed on inactive status. The request  
3 shall be granted if the former umpire is otherwise eligible  
4 to receive an umpire license. If the umpire's request to  
5 reactivate the umpire's license is not received within ninety  
6 calendar days of the date the license was placed on inactive  
7 status, the umpire must apply for a new license.

8 3. An umpire whose license is suspended, revoked, or  
9 forfeited in connection with a disciplinary matter, or  
10 forfeited in lieu of compliance, shall not be eligible for  
11 reinstatement under this section and must follow the procedures  
12 in section 522F.22.

13 Sec. 65. NEW SECTION. 522F.11 Umpires — payment.

14 1. In addition to the costs each party is responsible  
15 for under section 522F.6, each party to an appraisal that  
16 requires an umpire shall be responsible for an equal share of  
17 all reasonable and necessary fees and expenses incurred by the  
18 umpire.

19 2. If the parties settle before the appraisers direct the  
20 umpire to begin work, the umpire shall not charge a fee.

21 3. An umpire shall not charge any party on a basis dependent  
22 on the outcome of the written itemized award, or charge in a  
23 manner that relies on a barter arrangement, gift, favor, or  
24 in-kind exchange.

25 4. Prior to the conclusion of an appraisal process via  
26 final settlement, or issuance of a written itemized award by  
27 an umpire, an umpire shall not require, demand, or accept  
28 any fee, retainer, compensation, deposit, or other type of  
29 consideration, unless the loss is being handled by the umpire  
30 on a time-plus-expense basis.

31 5. An umpire shall not charge, and is not entitled to, a  
32 fee, compensation, deposit, or other type of consideration if  
33 the umpire abandons the appraisal prior to the umpire issuing a  
34 written itemized award.

35 Sec. 66. NEW SECTION. 522F.12 Umpires — objections.

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1 A party or appraiser that objects for good cause to a  
2 selected umpire within the time limit specified in section  
3 522F.14, subsection 3, paragraph "b", shall send the objection  
4 to all parties involved in the appraisal and, if applicable, to  
5 the judge who appointed the umpire from the umpire list under  
6 section 522F.14, subsection 3, paragraph "d". A copy of the  
7 objection shall be sent to the division electronically in the  
8 form and manner prescribed by the commissioner. The objection  
9 shall include all of the following information:

- 10 1. The names of all parties involved in the dispute.
- 11 2. The name of the person submitting the objection.
- 12 3. The insurer's claim number.
- 13 4. The name of the umpire that the party or appraiser  
14 objects to.
- 15 5. An explanation of the good cause basis for the objection.

16 Sec. 67. NEW SECTION. 522F.13 Umpires — standards of  
17 conduct.

18 1. An umpire shall act with due diligence, including but  
19 not limited to demonstrating accuracy, fairness, and timeliness  
20 throughout an appraisal process.

21 2. a. (1) No later than three business days after being  
22 hired by the parties to an appraisal and before beginning work  
23 as an umpire to the appraisal, an umpire shall disclose to all  
24 parties to the appraisal any potential conflict of interest.

25 If a conflict of interest exists, the umpire shall withdraw  
26 from the appraisal.

27 (2) An umpire shall not engage in any act or practice that  
28 is a conflict of interest during the appraisal.

29 (3) If a conflict of interest arises after the start of an  
30 appraisal process, an umpire shall disclose the conflict of  
31 interest to the parties and shall withdraw from the appraisal  
32 process.

33 b. A conflict of interest shall include but is not limited  
34 to the following:

35 (1) An umpire is a party to a lawsuit against any party to

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1 an appraisal.

2 (2) An umpire is a party to, or a member or employee of  
3 a law firm that represents a party to, a current lawsuit  
4 involving an insurer that is party to the appraisal.

5 (3) An umpire has a personal open claim involving an insurer  
6 that is a party to the appraisal.

7 (4) An umpire has a personal bias or prejudice against a  
8 party.

9 (5) An umpire has personally investigated, prosecuted, or  
10 advocated in connection with the appraisal.

11 (6) An umpire has acted as counsel to any party to an  
12 appraisal within the two years immediately preceding the  
13 appraisal.

14 (7) An umpire has a personal financial interest in the  
15 outcome of the appraisal or any other significant interest  
16 that could be substantially affected by the outcome of the  
17 appraisal.

18 (8) A member of an umpire's immediate family is any of the  
19 following:

20 (a) A party to the appraisal, or an officer, director, or  
21 trustee of a party.

22 (b) A current employee of an appraiser or an adjuster to the  
23 appraisal.

24 (c) A business entity licensed as an adjuster that adjusted  
25 the loss at issue in the appraisal.

26 (d) Known to have an interest that could be substantially  
27 affected by the outcome of the appraisal.

28 (e) An immediate family member that has a legally sufficient  
29 reason that requires the umpire to withdraw from the appraisal.

30 3. Prior to beginning work as an umpire, an umpire shall  
31 enter into a written contract with all parties to the appraisal  
32 that requires the parties and the umpire to comply with this  
33 section, and provides that each party shall pay costs as  
34 required under section 522F.11.

35 4. An umpire shall not begin work on a claim until the

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1 umpire receives each appraiser's differences in actual cash  
2 value and amount of loss of each item of the claim, and written  
3 approval from the parties for the umpire to begin work.

4 5. No later than three business days after receiving notice  
5 of selection for an appraisal, an umpire shall send notice  
6 to the parties and the appraisers that includes all of the  
7 following:

8 a. A statement informing each party if the umpire is insured  
9 by an insurer.

10 b. A statement informing each party of the party's  
11 respective right to object to the umpire under section 522F.12.

12 6. An umpire shall address only issues in an appraisal that  
13 the appraisers disagree on.

14 7. An umpire shall review all information submitted by the  
15 appraisers and parties related to the dispute, including but  
16 not limited to the itemized appraisals or estimates, supporting  
17 documents, photographs, and diagrams. The umpire shall review  
18 the differences between what each appraiser submitted and seek  
19 agreement by the appraisers regarding the disputed issues.

20 8. An umpire shall allow each appraiser to a claim a fair  
21 opportunity to present evidence and arguments regarding the  
22 appraisal.

23 9. An umpire shall ask questions, or request documents or  
24 other evidence, as the umpire deems necessary in the course of  
25 an appraisal.

26 10. An umpire may accept either appraiser's scope,  
27 quantity, value, or cost regarding an item in dispute, or  
28 develop an independent decision on each item in dispute.

29 11. An umpire shall decide all matters in an appraisal  
30 fairly, and shall exercise independent judgment and integrity.

31 12. An umpire shall prepare and distribute a written  
32 itemized award pursuant to section 522F.16.

33 13. An umpire shall not visit the claimant's damaged  
34 property without consent from all appraisers.

35 14. An umpire shall not withdraw or abandon an appraisal

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1 unless compelled by unforeseen circumstances that would render  
2 it impossible or impracticable for the umpire to continue on a  
3 claim.

4 15. An umpire shall not attend or participate in settlement  
5 discussions unless requested to do so by all parties.

6 16. An umpire shall not permit outside influences to affect  
7 an appraisal.

8 17. An umpire shall not delegate the umpire's duty to decide  
9 a claim to any other person.

10 18. Unless reasonable notice and opportunity to participate  
11 in a communication is provided to an opposing party and the  
12 opposing party's appraiser, an umpire shall not communicate,  
13 directly or indirectly, with any party or appraiser regarding a  
14 pending appraisal.

15 19. Unless reasonable notice and opportunity to participate  
16 in a communication is provided to all parties, an umpire shall  
17 not communicate, directly or indirectly, with any party, a  
18 representative of any party, or any other person with a direct  
19 or indirect interest in the claim, regarding an issue of fact  
20 or law in the appraisal.

21 20. An umpire shall not act as, or have ever acted as, an  
22 adjuster or appraiser on the same claim.

23 Sec. 68. NEW SECTION. 522F.14 Appraisal process.

24 1. This section provides for the appraisal process if all  
25 of the following apply:

26 a. The claimant's insurance policy is delivered, issued for  
27 delivery, or renewed in this state.

28 b. The property that is the subject of the claimant's  
29 claim is located in this state, or the dispute is subject to  
30 jurisdiction in this state.

31 c. A claimant gave proper notice to the claimant's insurer  
32 of a loss claim, and the claimant and insurer dispute the  
33 actual cash value, or the amount of loss the insurer will pay,  
34 for the claimant's claim under the claimant's policy. The  
35 claimant and the insurer must both provide the other party with

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1 a scope of loss of a covered peril, including a list stating  
2 separately the actual cash value and the amount of claimed loss  
3 for each item.

4 *d.* The claimant or insurer demands in writing an appraisal  
5 pursuant to the claimant's policy.

6 2. Within twenty calendar days following either the  
7 claimant's or insurer's receipt of the other party's written  
8 demand for an appraisal, the claimant and the insurer  
9 shall each select an appraiser from the appraiser list.  
10 Upon selection, the appraiser shall attest in writing to  
11 the selecting party that the appraiser is competent and  
12 disinterested with regards to the appraisal in question.

13 3. *a.* Within fifteen calendar days of the selection of  
14 appraisers pursuant to subsection 2, both appraisers shall  
15 agree on an umpire from the umpire list.

16 *b.* A party or an appraiser may object to the agreed-upon  
17 umpire for good cause pursuant to section 522F.12 no later  
18 than five business days after the umpire has been selected. A  
19 replacement umpire from the umpire list shall then be agreed  
20 upon by both appraisers.

21 *c.* If both appraisers fail to agree on an umpire, either the  
22 claimant or insurer shall immediately provide written notice  
23 to the division, in the form and manner prescribed by the  
24 division, and the division shall randomly select an umpire from  
25 the umpire list and notify the parties.

26 *d.* If either appraiser requests that an umpire be selected  
27 by a judge in the state in which the property that is the  
28 subject of the claim is located, a judge shall give deference  
29 to the randomly selected umpire from the umpire list by the  
30 division unless either the claimant or the insurer provides  
31 good cause for the judge to make an alternative selection from  
32 the umpire list.

33 4. Within forty-five calendar days from the date the  
34 umpire is selected, both appraisers shall appraise the loss,  
35 stating separately the actual cash value and the amount of

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1 loss for each item. Each appraiser shall submit separately  
2 the appraiser's actual cash value and amount of loss of each  
3 item, along with any supporting information, to the umpire.  
4 Each appraiser shall also submit written authorization for the  
5 umpire to commence the umpire's work.  
6 5. No later than forty-five calendar days after receipt of  
7 the actual cash value and amount of loss under subsection 4,  
8 the umpire shall prepare and provide to the parties and each  
9 appraiser a written itemized award showing the actual cash  
10 value and amount of loss. The written itemized award shall  
11 include but is not limited to all of the following:  
12 a. Contact information for each appraiser and the umpire.  
13 b. The insured's policy number and the insured's claim  
14 number.  
15 c. The date of the insured's loss.  
16 d. The type of covered peril that caused the loss.  
17 e. The date the umpire commenced work.  
18 f. The legal name of the insurer.  
19 g. The physical address of the property on which the insured  
20 made a claim.  
21 h. The date of the umpire's written itemized award.  
22 i. (1) A description and itemization of the final written  
23 itemized award by coverage type, including but not limited to:  
24 (a) Coverage A — dwelling.  
25 (b) Coverage B — other structures.  
26 (c) Coverage C — personal property.  
27 (2) The description and itemization by coverage type shall  
28 include contested items that have been resolved, sublimits,  
29 and other disputed items. Items, including but not limited  
30 to items with sublimits, shall be separately noted to avoid  
31 ambiguity in the final written itemized award.  
32 j. The signature of the umpire and at least one appraiser.  
33 6. Prior to the umpire issuing the written itemized award,  
34 the parties may agree to conclude the appraisal process when  
35 the parties reach a final settlement.

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1     Sec. 69. NEW SECTION. 522F.15 Appraisal clause.

2     All property insurance policies delivered, issued for  
3 delivery, continued, or renewed in this state on or after  
4 January 1, 2026, shall contain an appraisal clause that  
5 complies with this chapter.

6     Sec. 70. NEW SECTION. 522F.16 Appraisal award.

7     1. An appraiser and umpire shall act with due diligence in  
8 achieving an appraisal award.

9     2. A insurer's payment of an appraisal award to an insured  
10 shall be subject to the limits of coverage, and other terms  
11 and conditions of the insured's policy, including reductions  
12 for deductibles and prior payments. Unless otherwise agreed  
13 upon by the parties in writing, an appraisal award shall be  
14 binding and paid by the insurer within sixty calendar days of  
15 the written itemized award being submitted to the insurer.

16     3. An insurer's motion to vacate an appraisal award for good  
17 cause shall be filed within thirty calendar days from the date  
18 the insurer receives the written itemized award in the court  
19 of record.

20     Sec. 71. NEW SECTION. 522F.17 Reporting of actions.

21     1. An appraiser or umpire shall report to the commissioner  
22 any administrative action taken against the appraiser or umpire  
23 in another jurisdiction or by another administrative agency in  
24 this state within thirty calendar days of the final disposition  
25 of the matter. This report shall include a copy of the order,  
26 consent to the order, and other relevant legal documents.

27     2. Within thirty calendar days of the initial pretrial  
28 hearing date, an appraiser or umpire shall report to the  
29 commissioner any criminal prosecution of the appraiser or  
30 umpire taken in any jurisdiction. The report shall include a  
31 copy of the initial complaint filed, the order resulting from  
32 the hearing, and any other relevant legal documents.

33     3. An appraiser or umpire who willfully fails to comply with  
34 this section is subject to penalty under section 522F.20.

35     Sec. 72. NEW SECTION. 522F.18 Records — appraisers and

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1 umpires.

2 1. An appraiser or umpire shall have a continuing duty and  
3 obligation to keep, at the appraiser's or umpire's place of  
4 business, usual and customary records pertaining to appraisals  
5 undertaken by the appraiser or umpire. All such records  
6 shall be kept available for inspection by the commissioner or  
7 the commissioner's agent during regular business hours. The  
8 commissioner or the commissioner's agent shall not be entitled  
9 to inspect any records prepared in anticipation of litigation  
10 or that are subject to any privilege recognized in chapter 622.  
11 Such records shall be maintained for a minimum of three years  
12 following the date of final claim resolution.

13 2. An appraiser or umpire who willfully fails to comply with  
14 this section is subject to penalty under section 522F.20.

15 **Sec. 73. NEW SECTION. 522F.19 Hearings — service of**  
16 **process, attendance of witnesses, and production of documents.**

17 1. Whenever the commissioner believes that a person has  
18 been engaged, or is engaging, in a violation of this chapter  
19 or a rule adopted or an order issued under this chapter, and  
20 that a proceeding by the commissioner would be in the public  
21 interest, the commissioner shall issue and serve upon the  
22 person a statement of the charges and a notice of a hearing on  
23 the charges to be held at the time and place set in the notice,  
24 which shall not be less than ten business days after the date  
25 of service of such notice.

26 2. At the time and place of such hearing, the person shall  
27 have an opportunity to be heard and to show cause why an order  
28 should not be made by the commissioner requiring the person to  
29 cease and desist from the violation of the chapter, rule, or  
30 order. Upon a showing of good cause, the commissioner shall  
31 permit any person, by counsel or in person, to intervene,  
32 appear, and be heard at such hearing.

33 3. A hearing under this section shall not be required to  
34 observe formal rules of pleading or evidence.

35 4. The commissioner, at a hearing under this section, may

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1 administer oaths, examine and cross-examine witnesses, receive  
2 oral and documentary evidence, and may subpoena witnesses,  
3 compel their attendance, and require the production of books,  
4 papers, records, correspondence, or other documents which the  
5 commissioner deems relevant. The commissioner may, and upon  
6 the request of any party shall, cause to be made a stenographic  
7 record of the evidence and proceedings of a hearing under this  
8 section. If no stenographic record is made and if a judicial  
9 review is sought, the commissioner shall prepare a statement  
10 of the evidence and proceeding for use on review. If a person  
11 refuses to comply with a subpoena issued under this section,  
12 or to testify to a matter for which the person may lawfully be  
13 interrogated, the district court of Polk county or the district  
14 court of the county where the person resides, on application of  
15 the commissioner, may issue an order requiring such person to  
16 comply with such subpoena or to testify. Failure of a person  
17 to obey such order of the court may be punished by the court as  
18 contempt.

19 5. Statements of charges, notices, orders, subpoenas, and  
20 other processes of the commissioner under this chapter may be  
21 served by anyone authorized by the commissioner, either in the  
22 manner provided by law for service of process in civil actions,  
23 or by mailing a copy by restricted certified mail to the person  
24 affected by the statement, notice, order, subpoena, or other  
25 process at the person's residence or principal office or place  
26 of business. The verified return by the person serving the  
27 statement, notice, order, subpoena, or other process, setting  
28 forth the manner of such service, shall be proof of service,  
29 and the return receipt for the statement, notice, order,  
30 subpoena, or other process, mailed by restricted certified  
31 mail, shall be proof of the service.

32 Sec. 74. NEW SECTION. **522F.20 License denial, nonrenewal,**  
33 **or revocation — penalties.**

34 1. The division may place on probation, suspend, revoke, or  
35 refuse to issue or renew an appraiser's license or an umpire's

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1 license, and may levy a civil penalty against an appraiser or  
2 umpire as provided in section 522F.21, for one or more of the  
3 following causes:

4 *a.* The appraiser or umpire provided incorrect, misleading,  
5 incomplete, or materially untrue information in a license  
6 application.

7 *b.* The appraiser or umpire violated an insurance law,  
8 regulation, subpoena, or order of the commissioner or of a  
9 commissioner of another state.

10 *c.* The appraiser or umpire obtained or attempted to obtain a  
11 license through misrepresentation or fraud.

12 *d.* The appraiser or umpire improperly withheld,  
13 misappropriated, or converted money or property received from  
14 an insured in the course of doing business.

15 *e.* The appraiser or umpire was convicted of a felony.

16 *f.* The appraiser or umpire committed, or was found to have  
17 committed, any unfair trade practice or fraud.

18 *g.* The appraiser or umpire used fraudulent, coercive,  
19 or dishonest practices, or demonstrated incompetence,  
20 untrustworthiness, or financial irresponsibility in the conduct  
21 of business.

22 *h.* The appraiser or umpire had any professional license, or  
23 its equivalent, denied, suspended, or revoked in this state or  
24 any other state, province, district, or territory.

25 *i.* The appraiser or umpire forged another's name to any  
26 document related to an appraisal.

27 *j.* The appraiser or umpire improperly used notes or any  
28 other reference material to complete an examination for an  
29 appraisal license or umpire license.

30 *k.* The appraiser knowingly negotiated as an appraiser with  
31 an individual who is not, but is required to be, licensed as an  
32 appraiser during an appraisal.

33 *l.* The umpire knowingly acted as an umpire during the  
34 conduct of an appraisal with an individual who is not, but is  
35 required to be, licensed as an appraiser during an appraisal.

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1     *m.* The appraiser or umpire failed to comply with an  
2 administrative or court order related to repayment of loans to  
3 the college student aid commission.

4     *n.* The appraiser or umpire failed to pay state income tax or  
5 comply with any administrative or court order directing payment  
6 of state income tax.

7     *o.* The appraiser or umpire failed to comply with an  
8 administrative or court order imposing a child support  
9 obligation.

10    *p.* The appraiser or umpire failed or refused to cooperate  
11 in an investigation conducted by the commissioner or the  
12 commissioner's designee.

13    *q.* The appraiser or umpire used an appraiser license  
14 or umpire license for the principal purpose of procuring,  
15 receiving, or forwarding appraisals, or placing or affecting  
16 such appraisals, directly or indirectly, on or in connection  
17 with the property of the licensee or the property of a  
18 relative, employer, or employee of the licensee, or upon or in  
19 connection with property for which the licensee or a relative,  
20 employer, or employee of the licensee is an agent, custodian,  
21 vendor, bailee, trustee, or payee.

22    2. If the commissioner does not renew a license or denies an  
23 application for a license, the commissioner shall notify the  
24 applicant, appraiser, or umpire in writing of the reason for  
25 the nonrenewal of the license or denial of the application for  
26 a license. The applicant, appraiser, or umpire may request a  
27 hearing on the nonrenewal or denial. The applicant, appraiser,  
28 or umpire shall have thirty calendar days from the date of  
29 receipt of the notice to file a written request for a hearing.  
30 A hearing shall be conducted according to section 522F.19.

31    3. The license of an umpire, an appraiser, or an appraiser  
32 business entity may be suspended, revoked, placed on probation,  
33 or refused if the commissioner finds, after hearing, that an  
34 umpire's, appraiser's, or appraiser business entity's violation  
35 was known or should have been known by a partner, officer,

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1 or manager of the business entity and the violation was not  
2 reported to the commissioner and corrective action was not  
3 taken.

4 4. In addition to, or in lieu of, denial, probation,  
5 suspension, or revocation of a license under this section, an  
6 appraiser or umpire, after hearing, may be subject to a civil  
7 penalty as provided in section 522F.21.

8 5. The commissioner may enforce this chapter, may conduct  
9 an investigation of any suspected violation of this chapter,  
10 and may impose any penalty or remedy authorized by this chapter  
11 against any person who is under investigation for, or charged  
12 with, a violation of this chapter even if the person's license  
13 has been surrendered or has lapsed by operation of law.

14 6. a. All complaint files, investigation files,  
15 investigation reports, and other investigative information  
16 in the possession of the commissioner or the commissioner's  
17 agents that relates to appraiser or umpire discipline shall  
18 be privileged and confidential, and shall not be subject  
19 to discovery, subpoena, or other means of legal compulsion  
20 for release to a person other than the appraiser or umpire,  
21 and shall not be admissible in evidence in a judicial or  
22 administrative proceeding other than the proceeding involving  
23 the appraiser or umpire discipline. A final written decision  
24 of the commissioner in a disciplinary proceeding shall be a  
25 public record.

26 b. Investigative information in the possession of the  
27 commissioner or the commissioner's agent that relates to  
28 appraiser or umpire discipline may be disclosed at the  
29 discretion of the commissioner. The commissioner may  
30 share documents, materials, or other information, including  
31 confidential and privileged documents, materials, or  
32 information under this subsection with other state, federal,  
33 and international regulatory agencies, with NAIC and its  
34 affiliates or subsidiaries, and with state, federal, and  
35 international law enforcement authorities, provided that the

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1 recipient agrees to maintain the confidentiality and privileged  
2 status of the document, material, or other information.

3 *c.* If the investigative information in the possession of the  
4 commissioner or the commissioner's agents indicates a crime has  
5 been committed, the information shall be reported to the proper  
6 law enforcement agency.

7 7. *a.* Pursuant to section 17A.19, subsection 6, upon an  
8 appeal by the appraiser or umpire, the commissioner shall  
9 transmit the entire record of the contested case to the  
10 reviewing court.

11 *b.* Notwithstanding section 17A.19, subsection 6, if a  
12 waiver of privilege has been involuntary and evidence has been  
13 received at a disciplinary hearing, the court shall issue  
14 an order to withhold the identity of the individual whose  
15 privilege was waived.

16 Sec. 75. NEW SECTION. 522F.21 Civil and criminal penalties.

17 1. *a.* Upon a determination by the commissioner, after  
18 a hearing conducted pursuant to chapter 17A, that a person  
19 violated this chapter, the commissioner shall reduce the  
20 findings of the hearing to writing and deliver a copy of the  
21 findings to the person.

22 *b.* Upon a determination by the commissioner that a person  
23 has engaged, is engaging, or is about to engage in any act or  
24 practice constituting a violation of this chapter or a rule  
25 adopted or order issued under this chapter, the commissioner  
26 may take the following actions:

27 (1) Issue an order requiring the person to cease and desist  
28 from engaging in the conduct resulting in the violation.

29 (2) Assess a civil penalty against the person of not more  
30 than one thousand dollars for each violation not to exceed an  
31 aggregate of ten thousand dollars.

32 (3) If the person knew or reasonably should have known the  
33 person was in violation of this chapter, assess a civil penalty  
34 of not more than five thousand dollars for each violation  
35 of this chapter not to exceed an aggregate penalty of fifty

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1 thousand dollars in any one six-month period.

2 (4) (a) Issue a summary order, including a brief statement  
3 of findings of fact, conclusions of law, and policy reasons for  
4 the decision, and directing the person to cease and desist from  
5 engaging in the act or practice or to take affirmative action  
6 as is necessary in the judgment of the commissioner to comply  
7 with the requirements of this chapter.

8 (b) A person may contest a summary order by filing,  
9 within thirty calendar days from the date of the issuance of  
10 the summary order, a written request for a contested case  
11 proceeding and hearing as provided in chapter 17A and in  
12 accordance with rules adopted by the commissioner. Section  
13 17A.18A shall be inapplicable to a summary order issued under  
14 this subsection. If a hearing is not requested within thirty  
15 calendar days from the date of issuance of the summary order,  
16 the summary order shall become final by operation of law. A  
17 summary order shall remain effective from the date of issuance  
18 until the date the order becomes final by operation of law,  
19 or is modified or overturned by a presiding officer or court  
20 following a request for hearing.

21 (c) A person violating a summary order issued under this  
22 subsection shall be deemed in contempt of the summary order.  
23 The commissioner may petition the district court to enforce the  
24 order as certified by the commissioner. The district court  
25 shall find the person in contempt of the order if the court  
26 finds, after conducting a hearing, that the person is not  
27 in compliance with the order. The court may assess a civil  
28 penalty against the person and may issue further orders as the  
29 court deems appropriate.

30 c. In addition to any other penalty under this section,  
31 if the commissioner finds that a violation of this chapter  
32 was directed, encouraged, condoned, ignored, or ratified by  
33 the employer of the appraiser or umpire, the commissioner  
34 shall assess a penalty to the employer. Penalties under this  
35 paragraph may be retained by the commissioner under the fund

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1 described in section 505.7, subsection 9.

2 2. a. A person acting as an appraiser or an umpire without  
3 proper licensure, or an appraiser or an umpire who willfully  
4 violates any provision of this chapter or an order issued  
5 under this chapter, is guilty of a class "D" felony. If the  
6 violation results in a loss of more than ten thousand dollars,  
7 the appraiser or an umpire is guilty of a class "C" felony.

8 b. The commissioner may refer such evidence as is available  
9 concerning a violation of this chapter, or of any rule adopted  
10 or order issued under this chapter, or of the failure of a  
11 person to comply with the licensing requirements of this  
12 chapter, to the attorney general or the proper district  
13 attorney who may institute the appropriate criminal proceedings  
14 under this chapter.

15 c. This chapter shall not limit the power of the state to  
16 punish any person for any conduct that constitutes a crime  
17 under any other statute.

18 Sec. 76. NEW SECTION. 522F.22 Reinstatement or reissuance  
19 of a license after disciplinary matters — forfeiture in lieu of  
20 compliance.

21 1. a. A person licensed under this chapter as an appraiser  
22 or umpire whose license has been revoked or suspended by order,  
23 or who forfeited a license in connection with a disciplinary  
24 matter, may apply to the commissioner for reinstatement  
25 or reissuance in accordance with the terms of the order  
26 of revocation or suspension, or the order accepting the  
27 forfeiture, and submit to a criminal history check under  
28 section 522B.5A.

29 b. (1) Proceedings for reinstatement or reissuance  
30 shall be initiated by the applicant who shall file with the  
31 commissioner an application for reinstatement or reissuance  
32 after disciplinary action.

33 (2) An appraiser shall not be eligible for reinstatement or  
34 reissuance until the appraiser satisfies the requirements under  
35 section 522F.3 and pays any required fees. An appraiser may be

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1 required to submit a new or renewal appraiser application under  
2 section 522F.5.

3 (3) An umpire shall not be eligible for reinstatement or  
4 reissuance until the umpire satisfies the requirements under  
5 section 522F.8 and pays any required fees. An umpire may be  
6 required to submit a new or renewal umpire application under  
7 section 522F.10.

8 *c.* An application for reinstatement or reissuance shall  
9 allege facts which, if established, are sufficient to enable  
10 the commissioner to determine that the basis of revocation,  
11 suspension, or forfeiture of the applicant's license no longer  
12 exists, and must disclose if the applicant has engaged in  
13 any conduct listed as a cause for licensing action that was  
14 not included in the order for suspension, revocation, or  
15 forfeiture.

16 *d.* An application for reinstatement or reissuance shall  
17 allege facts which, if established, are sufficient to enable  
18 the commissioner to determine that it is in the public  
19 interest for the application to be granted. The commissioner  
20 may determine that it is not in the public interest if the  
21 applicant has engaged in any conduct listed as a cause for  
22 licensing action that was not included in the order for  
23 suspension, revocation, or forfeiture, or if the applicant does  
24 not have the character and fitness to be a licensed appraiser  
25 or umpire in this state.

26 *e.* The burden of proof to establish facts identified in  
27 paragraphs "*c*" and "*d*" shall be on the applicant.

28 *f.* A person licensed as an appraiser or an umpire may  
29 request reinstatement of a suspended license prior to the end  
30 of the suspension term.

31 *g.* Unless otherwise provided by law, if an order of  
32 revocation or suspension did not establish terms upon which  
33 reinstatement or reissuance may occur, or if the license  
34 was forfeited, an initial application for reinstatement or  
35 reissuance shall not be made until at least one year from the

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1 date of the order of the suspension, revocation, or acceptance  
2 of the forfeiture of a license.

3 2. All proceedings upon the application for reinstatement  
4 or reissuance, including preliminary and ancillary matters,  
5 shall be held in accordance with chapter 17A. The application  
6 shall be docketed in the original case in which the original  
7 license was suspended, revoked, or forfeited, if the case  
8 exists.

9 3. An order of reinstatement or reissuance shall be based  
10 on a written decision which incorporates findings of fact  
11 and conclusions of law. An order granting an application  
12 for reinstatement or reissuance may impose such terms and  
13 conditions as the commissioner or the commissioner's designee  
14 deems appropriate, which may include one or more penalties  
15 provided under this chapter. The order shall be a public  
16 record and may be disseminated in compliance with chapter 22.

17 4. If an appraiser's or umpire's ordered suspension period  
18 ends prior to the appraiser's or umpire's license expiration  
19 date and the appraiser or umpire applies for reinstatement  
20 prior to the license expiration date and meets all applicable  
21 requirements, the division shall reinstate the license as soon  
22 as practicable but no earlier than the end of the suspension  
23 period if the division, after a complete review, determines the  
24 license should be reinstated.

25 5. If an appraiser's or umpire's license is suspended beyond  
26 the appraiser's or umpire's license expiration date, whether  
27 due to an ordered suspension time period or failure to apply  
28 for reinstatement prior to expiration, the appraiser or umpire  
29 must apply for reissuance.

30 6. A submission of voluntary forfeiture of a license  
31 shall be made in writing to the commissioner. Forfeiture of  
32 a license is effective upon the date of submission unless a  
33 contested case proceeding is pending on the date of submission.  
34 If a contested case proceeding is pending, the forfeiture shall  
35 become effective upon conditions as required by order of the

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1 commissioner. A forfeiture made during the pendency of a  
2 contested case proceeding shall be considered a disciplinary  
3 action and shall be published in the same manner as is  
4 applicable to any other form of disciplinary order.

5 7. The commissioner shall not be prohibited from denying  
6 an application for reinstatement or reissuance, or bringing  
7 an additional immediate action, if an appraiser or umpire  
8 has engaged in an additional violation of chapter 507B or  
9 this chapter or otherwise failed to meet all applicable  
10 requirements.

11 8. This section shall not apply to reinstatement of an  
12 expired license or issuance of a new license that is not in  
13 connection with a disciplinary matter.

14 Sec. 77. NEW SECTION. **522F.23 Suspension for failure to**  
15 **pay child support or state debt.**

16 1. The commissioner shall deny an appraiser's or umpire's  
17 application for license issuance, renewal, reinstatement,  
18 or reissuance; suspend a current license; or revoke a  
19 currently suspended license upon receipt of a certificate of  
20 noncompliance from the child support recovery unit pursuant to  
21 chapter 252J, or upon receipt of a certificate of noncompliance  
22 from the centralized collection unit of the department of  
23 revenue pursuant to chapter 272D.

24 2. Upon receipt of a certificate of noncompliance  
25 under subsection 1, the commissioner shall issue a notice  
26 to the appraiser or umpire that the division will, unless  
27 the certificate of noncompliance is withdrawn, deny the  
28 appraiser's or umpire's application for license issuance,  
29 renewal, reinstatement, or reissuance, suspend the appraiser's  
30 or umpire's current license, or revoke the appraiser's or  
31 umpire's currently suspended license, thirty calendar days  
32 after the date the notice is mailed. Notice shall be sent to  
33 the appraiser's or umpire's last known address by restricted  
34 certified mail, return receipt requested, or in accordance with  
35 the division's rules for service. The notice shall contain all

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1 of the following:

2     *a.* A statement that the commissioner intends to deny the  
3 appraiser's or umpire's application for license issuance,  
4 renewal, reinstatement, or reissuance; suspend the appraiser's  
5 or umpire's current license; or revoke the appraiser's or  
6 umpire's currently suspended license in thirty calendar days  
7 unless the certificate of noncompliance is withdrawn.

8     *b.* A statement that the appraiser or umpire must contact the  
9 agency that issued the certificate of noncompliance to request  
10 a withdrawal.

11     *c.* A statement that the appraiser or umpire does not have a  
12 right to a hearing before the division, but that the appraiser  
13 or umpire may file an application for a hearing in district  
14 court pursuant to section 252J.9 or 272D.9, as applicable, and  
15 that the filing of an application by the appraiser or umpire  
16 will stay the proceedings of the division.

17     *d.* A copy of the certificate of noncompliance.

18     3. An appraiser or umpire shall keep the commissioner  
19 informed of all actions taken by the district court or  
20 the issuing agency in connection with a certificate of  
21 noncompliance. An appraiser or umpire shall provide to  
22 the commissioner, within seven calendar days of filing or  
23 issuance, a copy of all applications filed with the district  
24 court pursuant to an application or hearing, all court orders  
25 entered in such action, and all withdrawals of a certificate  
26 of noncompliance.

27     4. If an applicant, appraiser, or umpire timely files an  
28 application for hearing in district court and the division  
29 is notified of the filing, the commissioner's denial,  
30 suspension, or revocation proceedings shall be stayed until  
31 the division is notified by the district court, the issuing  
32 agency, the licensee, or the applicant of the resolution of  
33 the application. Upon receipt of a court order lifting the  
34 stay or otherwise directing the commissioner to proceed, the  
35 commissioner shall continue with the intended action described

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1 in the notice.

2 5. If the commissioner does not receive a withdrawal of  
3 the certificate of noncompliance from the issuing agency,  
4 or a notice from a clerk of court, the issuing agency, the  
5 appraiser, the umpire, or the applicant that an application for  
6 hearing has been filed within thirty calendar days after the  
7 notice is issued, the commissioner shall deny the applicant's,  
8 appraiser's, or umpire's application for license issuance,  
9 renewal, reinstatement, or reissuance; suspend a current  
10 license; or revoke a currently suspended license.

11 6. Upon receipt of a withdrawal of a certificate of  
12 noncompliance from the issuing agency, suspension or revocation  
13 proceedings shall halt and the named appraiser or umpire  
14 shall be notified that the proceedings have halted. If the  
15 appraiser's or umpire's license has already been suspended, the  
16 appraiser or umpire must apply for reinstatement in accordance  
17 with section 522F.22, and the license shall be reinstated  
18 if the appraiser or umpire is otherwise in compliance with  
19 this chapter. If the appraiser's or umpire's application for  
20 licensure was stayed, application processing shall resume.  
21 All fees required for license renewal, reinstatement, or  
22 reissuance must be paid by an appraiser or umpire, and all  
23 continuing education requirements shall be satisfied, before  
24 the appraiser's or umpire's license is renewed or reinstated  
25 after a license suspension or revocation under this chapter.

26 7. The commissioner shall notify an appraiser or umpire  
27 in writing through regular first class mail, or such other  
28 means as the commissioner deems appropriate under the  
29 circumstances, within ten calendar days of the effective date  
30 of the suspension or revocation of the appraiser's or umpire's  
31 license, and shall also notify the appraiser or umpire when the  
32 appraiser's or umpire's license is reinstated following the  
33 commissioner's receipt of a withdrawal of the certificate of  
34 noncompliance.

35 8. Notwithstanding any provision of law to the contrary, the

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1 division may share information with the child support recovery  
2 unit or the centralized collection unit of the department of  
3 revenue for the sole purpose of identifying appraisers or  
4 umpires subject to enforcement under chapter 252J or 272D.

5 Sec. 78. NEW SECTION. **522F.24 Severability.**

6 If any provision of this chapter or the application thereof  
7 to any person or circumstance is held invalid, the invalidity  
8 does not affect other provisions or applications of this  
9 chapter which can be given effect without the invalid provision  
10 or application, and to this end the provisions of this chapter  
11 are severable.

12 Sec. 79. CODE EDITOR DIRECTIVE. The Code editor shall  
13 divide chapter 522F into subchapters and shall designate  
14 sections 522F.1 through 522F.2, as enacted in this division  
15 of this Act, as subchapter I entitled "General Provisions",  
16 sections 522F.3 through 522F.7, as enacted in this division  
17 of this Act, as subchapter II entitled "Appraisers", sections  
18 522F.8 through 522F.13, as enacted in this division of this  
19 Act, as subchapter III entitled "Umpires", sections 522F.14  
20 through 522F.16, as enacted in this division of this Act, as  
21 subchapter IV entitled "Appraisals", sections 522F.17 through  
22 522F.18, as enacted in this division of this Act, as subchapter  
23 V entitled "Duties of Licensees", and sections 522F.19 through  
24 522F.23, as enacted in this division of this Act, as subchapter  
25 VI entitled "Hearings and Penalties".

26 DIVISION VII

27 IOWA ECONOMIC EMERGENCY FUND — PROCLAMATION OF DISASTER  
28 EMERGENCY

29 Sec. 80. Section 8.55, subsection 3, paragraph a, Code 2025,  
30 is amended to read as follows:

31 a. Except as provided in paragraphs "b", "c", and "d",  
32 and "f", the moneys in the Iowa economic emergency fund shall  
33 only be used pursuant to an appropriation made by the general  
34 assembly. An appropriation shall only be made for the fiscal  
35 year in which the appropriation is made. The moneys shall

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1 only be appropriated by the general assembly for emergency  
2 expenditures.

3 Sec. 81. Section 8.55, subsection 3, Code 2025, is amended  
4 by adding the following new paragraph:

5 NEW PARAGRAPH. f. (1) For the fiscal year beginning July  
6 1, 2026, and each fiscal year thereafter, there is appropriated  
7 from the Iowa economic emergency fund to the department of  
8 management ten percent of the maximum balance of the Iowa  
9 economic emergency fund as calculated for the immediately  
10 preceding fiscal year, or so much thereof as is necessary, to  
11 be used for disaster response, disaster recovery activities, or  
12 disaster aid to citizens.

13 (2) The appropriation in this paragraph is contingent upon  
14 all of the following:

15 (a) The issuance of a proclamation of disaster emergency by  
16 the governor under section 29C.6 during the fiscal year, which  
17 proclamation covers the disaster for which the moneys will be  
18 used.

19 (b) The appropriation occurs at the direction of the  
20 governor, with the approval of the executive council.

21 (3) Subject to the approval of the governor, the department  
22 of management may provide for an interdepartmental transfer of  
23 moneys appropriated in this paragraph to another state entity  
24 for the purposes specified in this paragraph, subject to the  
25 notification and reporting requirements set forth in section  
26 8.39, subsections 4 and 5, but notwithstanding the other  
27 limitations and requirements of section 8.39.

28 (4) Moneys appropriated in this paragraph shall not  
29 supplant other appropriated moneys.

30 Sec. 82. Section 29C.6, Code 2025, is amended by adding the  
31 following new subsection:

32 NEW SUBSECTION. 18. Direct an appropriation under section  
33 8.55, subsection 3, paragraph "f", with the approval of the  
34 executive council.

35

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1 IOWA ECONOMIC EMERGENCY FUND — APPROPRIATIONS

2 Sec. 83. NUISANCE PROPERTY REMEDIATION ASSISTANCE FUND —

3 FY 2024-2025. There is appropriated from the Iowa economic  
4 emergency fund created in section 8.55 to the economic  
5 development authority for the fiscal year beginning July 1,  
6 2024, and ending June 30, 2025, the following amount, or so  
7 much thereof as is necessary, to be used for the purposes  
8 designated:

9 For deposit in the nuisance property remediation assistance  
10 fund established in section 15.338:

11 ..... \$ 2,000,000

12 Notwithstanding section 8.33, moneys appropriated in this  
13 section that remain unencumbered or unobligated at the close of  
14 the fiscal year shall not revert but shall remain available for  
15 expenditure for the purposes designated until the close of the  
16 succeeding fiscal year.

17 Sec. 84. DISASTER RECOVERY HOUSING ASSISTANCE FUND —

18 FY 2024-2025. There is appropriated from the Iowa economic  
19 emergency fund created in section 8.55 to the Iowa finance  
20 authority for the fiscal year beginning July 1, 2024, and  
21 ending June 30, 2025, the following amount, or so much thereof  
22 as is necessary, to be used for the purposes designated:

23 For deposit in the disaster recovery housing assistance fund  
24 created in section 16.57B:

25 ..... \$ 11,600,000

26 Notwithstanding section 8.33, moneys appropriated in this  
27 section that remain unencumbered or unobligated at the close of  
28 the fiscal year shall not revert but shall remain available for  
29 expenditure for the purposes designated until the close of the  
30 succeeding fiscal year.

31 Sec. 85. EFFECTIVE DATE. This division of this Act, being  
32 deemed of immediate importance, takes effect upon enactment.

33 EXPLANATION

34 The inclusion of this explanation does not constitute agreement with  
35 the explanation's substance by the members of the general assembly.

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1 This bill relates to the natural hazard mitigation financing  
2 program, the disaster recovery housing assistance program, the  
3 disaster recovery new housing program, post-loss assignments  
4 of benefits, and the licensing and regulation of adjusters,  
5 appraisers and umpires.

6 DIVISION I — NATURAL HAZARD MITIGATION FINANCING PROGRAM.

7 The bill creates the natural hazard mitigation financing  
8 program (program) for the purpose of making loans available  
9 to eligible entities to finance all or part of the costs of a  
10 project. "Eligible entity" and "project" are defined in the  
11 bill. The program shall be a joint and cooperative undertaking  
12 of the department of homeland security and emergency management  
13 (HSEMD) and the Iowa finance authority (IFA).

14 The bill creates a natural hazard mitigation revolving loan  
15 fund (fund) under the control of HSEMD, in consultation with  
16 IFA, consisting of moneys and program funding as detailed in  
17 the bill.

18 HSEMD, in consultation with IFA, may establish and maintain  
19 funds or accounts necessary to carry out the purposes of the  
20 bill. Any moneys appropriated to HSEMD and IFA for purposes  
21 of paying the costs and expenses associated with the program  
22 shall be administered as determined by IFA. The funds or  
23 accounts are separate dedicated funds and accounts under the  
24 administration and control of IFA, and shall not be considered  
25 part of the general fund of the state, are not subject to  
26 appropriation for any other purpose by the general assembly,  
27 and in determining a general fund balance shall not be included  
28 in the general fund of the state, but shall remain in the funds  
29 and accounts maintained by HSEMD or IFA. IFA may provide for  
30 the issuance of bonds or notes as detailed in the bill.

31 The duties of the director of HSEMD (director) are detailed  
32 in the bill.

33 For the fiscal year beginning July 1, 2025, and each fiscal  
34 year thereafter, HSEMD may prepare and deliver intended use  
35 plans to, and enter into capitalization grant agreements with,

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1 the administrator of the United States federal emergency  
2 management agency and may accept capitalization grants for the  
3 fund. HSEMD, in consultation with IFA, shall establish fiscal  
4 controls and accounting procedures for the fund.

5 HSEMD and IFA shall review each loan application to  
6 determine if the applicant is an eligible entity and qualifies  
7 for a loan. IFA, in cooperation with HSEMD, shall determine  
8 the interest rate and repayment terms for each loan under the  
9 program and shall enter into a loan agreement with each loan  
10 recipient. IFA may charge loan recipients fees and assess  
11 costs as necessary.

12 Moneys in the fund shall be used for the primary purpose of  
13 making loans to eligible entities to finance eligible costs of  
14 projects in accordance with the intended use plans. The loan  
15 recipients and the purpose and amount of the loans shall be  
16 determined by the director.

17 HSEMD, in consultation with IFA, shall adopt rules pursuant  
18 to Code chapter 17A to administer the division of the bill.

19 The bill makes a conforming change to Code section 422.7.

20 DIVISION II — DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM.

21 The bill requires a state of disaster emergency proclamation  
22 by the governor that authorizes disaster recovery housing  
23 assistance to specify if disaster recovery housing assistance  
24 is available to homeowners, renters, or both homeowners and  
25 renters.

26 The bill defines "financial assistance" as assistance  
27 provided only from the funds, rights, and assets legally  
28 available to IFA and includes but is not limited to assistance  
29 in the form of grants, loans, and forgivable loans.

30 Under the bill, IFA shall not use more than 5 percent of the  
31 moneys deposited into the disaster recovery housing assistance  
32 fund for administrative and program costs.

33 Under current law, to be considered for financial assistance  
34 under the disaster recovery housing assistance program,  
35 a homeowner or renter must register for the disaster case

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1 advocacy program. Under the bill, a homeowner or renter is not  
2 required to register for the advocacy program to be considered  
3 for financial assistance under the disaster recovery housing  
4 assistance program.

5 The bill makes conforming changes to Code section 16.57B.

6 DIVISION III — DISASTER RECOVERY NEW HOUSING PROGRAM. The  
7 bill defines “qualifying state disaster recovery new housing  
8 grant” (grant) as an award of a state disaster recovery new  
9 housing grant that was applied for between August 20, 2024,  
10 and December 31, 2024, and approved and issued by the economic  
11 development authority. A grant shall not be included in the  
12 computation of net income for federal income tax purposes.

13 The division takes effect upon enactment and applies  
14 retroactively to tax years beginning on or after January 1,  
15 2024.

16 DIVISION IV — POST-LOSS ASSIGNMENT OF BENEFITS —  
17 RESIDENTIAL CONTRACTOR. Under the bill, a violation of Code  
18 section 515.137 is an unfair method of competition and unfair  
19 or deceptive act or practice in the business of insurance.  
20 The bill defines “post-loss assignment” (assignment). The  
21 assignment must only assign the insurance proceeds a named  
22 insured is entitled to receive from the named insured’s insurer  
23 for the repair, replacement construction, or reconstruction of  
24 the named insured’s property.

25 A residential contractor (contractor) shall not engage  
26 in conduct prohibited by the bill under an assignment by a  
27 named insured to the contractor under a property and casualty  
28 insurance policy.

29 An assignment must include an itemized description  
30 containing the information detailed in the bill.

31 An assignment shall not impair the interest of a mortgagee,  
32 and all mortgagees shall be named as a co-payee for the payment  
33 of benefits. An assignment shall only authorize a contractor  
34 to be named as a co-payee, along with the named insured and all  
35 mortgagees, for the payment of benefits. An assignment shall

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1 not prevent or inhibit an insurer from communicating with the  
2 named insured or a mortgagee.

3 An electronic copy of a fully executed assignment shall  
4 be provided to a named insured and all mortgagees of the  
5 damaged residential real estate within five business days after  
6 execution. A contractor named in an assignment must cooperate  
7 with the insurer in a claim investigation.

8 A named insured shall have the right to cancel an assignment  
9 without penalty or fee under the circumstances detailed in the  
10 bill.

11 Any written contract, repair estimate, or work order  
12 prepared by a contractor to provide goods or services pursuant  
13 to an assignment shall include notice as provided in the bill  
14 which shall be signed by the named insured and sent to the  
15 named insured's insurer prior to payment.

16 For at least 72 hours following a catastrophic disaster, a  
17 residential contractor shall not enter into a contract with  
18 an insured that includes an assignment. If the severity of  
19 the catastrophic disaster has placed people under duress, as  
20 determined by the commissioner, the commissioner shall dispatch  
21 the consumer advocate and personnel to provide consumer  
22 guidance. The commissioner may extend the 72-hour period by an  
23 additional 72 hours after public hearing.

24 An assignment entered into with a contractor shall be void if  
25 the contractor violates the bill.

26 DIVISION V — PUBLIC, INDEPENDENT, AND STAFF ADJUSTERS. The  
27 bill makes conforming changes to Code sections 507B.4, 522B.5A,  
28 and 522C.1.

29 Under current law, the commissioner of insurance  
30 (commissioner) shall adopt rules as necessary to administer and  
31 enforce Code chapter 522C. Under the bill, the commissioner  
32 may adopt such rules.

33 Under the bill, a person shall not act as, or represent that  
34 the person is, a public adjuster or an independent adjuster  
35 unless the person is licensed. A license as an adjuster is

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1 not required for a staff adjuster, an attorney when acting  
2 within their professional capacity as an attorney, or a person  
3 employed only for the purpose of obtaining facts surrounding a  
4 loss or to furnish technical assistance to a licensed adjuster.  
5 A person applying for an adjuster license shall complete an  
6 application as described in the bill. The commissioner may  
7 require a criminal history check for the applicant.

8 Prior to approving an application for a resident adjuster  
9 license, a nonresident adjuster license, or a business entity's  
10 or nonresident business entity's application for a license for  
11 a resident public adjuster or resident independent adjuster,  
12 the commissioner shall find that the applicant meets the  
13 requirements detailed in the bill.

14 If the commissioner does not renew a license or denies  
15 an application for a license, the commissioner shall notify  
16 the applicant or licensee and advise of the reason for the  
17 nonrenewal or denial. Within 30 calendar days of the date of  
18 the notice, the licensee or applicant may request a hearing on  
19 the nonrenewal or denial.

20 Application fees for a license as an adjuster are detailed  
21 in the bill. The fee for an examination may be set by a  
22 third-party testing service and must be approved by the  
23 division of insurance (division).

24 Prior to issuance of a license, an applicant shall secure  
25 evidence of financial responsibility (responsibility) through  
26 a surety bond (bond) as prescribed by the commissioner. The  
27 bond shall be executed and issued by an insurer authorized  
28 to issue bonds, and must meet the requirements of the  
29 bill. The division may request that an adjuster provide  
30 evidence of responsibility at any time. An adjuster shall  
31 immediately notify the division if the adjuster's evidence  
32 of responsibility terminates or becomes impaired, and the  
33 adjuster's license shall become inactive.

34 An individual applying for a license shall pass a written  
35 examination, unless exempt, as described in the bill.

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1 A public adjuster shall not provide services to an insured  
2 until a written contract with the insured has been executed.  
3 The contract must meet all of the requirements detailed in the  
4 bill. No provisions in the contract shall be redacted in a  
5 copy of the contract submitted to the commissioner.

6 If the insurer, no later than five calendar days after the  
7 date on which the insured's loss is reported, either pays  
8 or commits in writing to pay the policy limits, the public  
9 adjuster shall inform the insured that the total amount of  
10 loss claimed by the insured may not be paid by the insured,  
11 and the adjuster is only entitled to reasonable compensation  
12 from the insured. Prior to execution of a contract, the public  
13 adjuster shall review the terms of the contract with the  
14 insured and provide a separate disclosure document that meets  
15 the requirements detailed in the bill.

16 An original copy of a completed contract shall be provided to  
17 the public adjuster and kept by the insured. Within 72 hours  
18 of entering a contract with an insured, the public adjuster  
19 shall provide the insured's insurer a notification letter. A  
20 contract between a public adjuster and an insured executed in  
21 violation of the bill shall not be enforceable.

22 The required standards of conduct for, and duties of, an  
23 adjuster are detailed in the bill. An adjuster who fails  
24 to comply with the standards and duties shall be subject to  
25 penalties.

26 The division may place on probation, suspend, revoke, or  
27 refuse to issue or renew an adjuster's license, and may levy  
28 a civil penalty for any of the reasons enumerated in the  
29 bill. If the commissioner does not renew a license or denies  
30 an application for a license, the commissioner shall notify  
31 the adjuster or applicant and advise of the reason for the  
32 nonrenewal or denial. The adjuster or applicant may request a  
33 hearing within 30 days from the date of the notice.

34 The commissioner may conduct an investigation of any  
35 suspected violation of the bill and may impose a penalty or

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1 remedy against any person who is under investigation for, or  
2 charged with, a violation even if the person's license has been  
3 surrendered or has lapsed by operation of law.

4 All complaint files, investigation files, other  
5 investigation reports, and other investigative information in  
6 the possession of the commissioner that relates to adjuster  
7 discipline are privileged and confidential, and may only be  
8 disclosed as described in the bill. On appeal by the adjuster,  
9 the commissioner shall transmit the entire record of the  
10 contested case to the reviewing court.

11 Upon a determination by the commissioner, after a hearing,  
12 that an adjuster has violated a provision of the bill,  
13 the commissioner shall reduce the findings of the hearing  
14 to writing and deliver a copy to the adjuster. Upon a  
15 determination by the commissioner that an adjuster has engaged  
16 in any act or practice constituting a violation of the bill,  
17 the commissioner may take any of the civil actions described  
18 in the bill.

19 A person acting as an adjuster without proper licensure,  
20 or an adjuster who willfully violates any provision of, or  
21 order issued under, Code chapter 522C is guilty of a class  
22 "D" felony. When the violation results in a loss of more  
23 than \$10,000, the person or adjuster is guilty of a class "C"  
24 felony.

25 An adjuster who steals, converts, or misappropriates funds  
26 that should be held in trust in a fiduciary capacity is guilty  
27 of a class "D" felony. When the violation results in a loss  
28 of more than \$10,000, the adjuster is guilty of a class "C"  
29 felony.

30 A class "D" felony is punishable by confinement for no more  
31 than five years and a fine of at least \$1,025 but not more than  
32 \$10,245. A class "C" felony is punishable by confinement for  
33 no more than 10 years and a fine of at least \$1,370 but not more  
34 than \$13,660.

35 The commissioner may refer evidence concerning violations of

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1 the bill to the attorney general or the county attorney who may  
2 institute criminal proceedings.

3 Any contract that is entered into by an insured with a person  
4 who is not a licensed public adjuster shall be void, and the  
5 insured is not liable for the payment of any past or future  
6 services by the person under that contract or otherwise.

7 An adjuster whose license has been revoked or suspended,  
8 or who forfeited a license, may apply to the commissioner for  
9 reinstatement or reissuance and submit to a criminal history  
10 check. An applicant shall not be eligible for reinstatement  
11 or reissuance until the applicant satisfies the requirements  
12 detailed in the bill.

13 An application for reinstatement or reissuance shall allege  
14 facts as required by the bill, and the burden of proof is on  
15 the adjuster to establish such facts. An adjuster may request  
16 reinstatement of a suspended license prior to the end of the  
17 suspension term. If an order of revocation or suspension did  
18 not establish terms on which reinstatement or reissuance may  
19 occur, or if the license was forfeited, an initial application  
20 for reinstatement or reissuance shall not be made until at  
21 least one year from the date of the order. All proceedings on  
22 the application for reinstatement or reissuance shall be held  
23 in accordance with Code chapter 17A.

24 If an adjuster's ordered suspension period ends prior to  
25 the adjuster's license expiration date, and the adjuster  
26 applies for reinstatement and meets all requirements, the  
27 division shall reinstate the license as soon as practicable  
28 but no earlier than the end of the suspension period. If an  
29 adjuster's license is suspended beyond the adjuster's license  
30 expiration date, the adjuster must apply for reissuance. A  
31 submission of voluntary forfeiture of a license shall be made  
32 to the commissioner pursuant to the requirements detailed in  
33 the bill.

34 The commissioner may deny an application for reinstatement  
35 or reissuance, or bring an additional immediate action, if an

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1 adjuster has engaged in an additional violation of Code chapter  
2 507B or 522C.

3 The commissioner shall deny an adjuster's application for  
4 license issuance, renewal, reinstatement, or reissuance;  
5 suspend a current license; or revoke a currently suspended  
6 license, upon receipt of a certificate of noncompliance from  
7 the child support recovery unit or the centralized collection  
8 unit of the department of revenue.

9 DIVISION VI — LICENSING AND REGULATION OF APPRAISERS  
10 AND UMPIRES. Under the bill, the commissioner may require a  
11 criminal history check on an applicant that applies for an  
12 initial license as an appraiser, or an umpire; or a renewal,  
13 reinstatement, or reissuance of a license if the license of  
14 an appraiser or an umpire has been revoked or suspended. The  
15 commissioner may adopt rules to administer this division of the  
16 bill.

17 Under the bill, a person shall not act as, or represent that  
18 the person is, an appraiser or an umpire unless the person is  
19 licensed.

20 A person applying for an appraiser or umpire license shall  
21 submit an application prescribed by the commissioner. To be  
22 eligible for licensure under the bill, a person shall meet all  
23 of the criteria detailed in the bill. A person who meets the  
24 requirements for licensure, unless otherwise denied licensure  
25 pursuant to the bill, shall be issued an appraiser license or  
26 an umpire license that is valid for two years. Applicable fees  
27 are detailed in the bill.

28 An appraiser's license and an umpire's license shall contain  
29 the information described in the bill. An appraiser and an  
30 umpire shall be required to complete continuing education  
31 requirements, as prescribed by the division, to be eligible for  
32 license renewal or reinstatement.

33 An appraiser and an umpire shall inform the division of a  
34 change of legal name or business address within 30 calendar  
35 days of the change. Failure to timely inform the division may

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1 result in a penalty.

2 The division shall publish an appraiser list and an umpire  
3 list on the division's internet site, and include all required  
4 information as detailed in the bill.

5 Prior to approving a business entity's application for a  
6 license as an appraiser, the commissioner shall find that the  
7 business entity has designated an individual appraiser to be  
8 responsible for the business entity's compliance with the  
9 insurance laws and rules.

10 An appraiser or an umpire may apply for reinstatement of an  
11 expired license up to one year after the license expiration  
12 date by meeting the requirements of the bill. An appraiser or  
13 an umpire who fails to apply for license reinstatement within  
14 one year must apply for a new license. An appraiser or an  
15 umpire who surrendered a license and stated an intent to exit  
16 the appraiser business may file a request to reactivate the  
17 license within 90 calendar days of the date the license was  
18 placed on inactive status.

19 Each party to an appraisal shall be responsible for the  
20 party's own appraiser's fees and expenses, an equal share of  
21 all reasonable and necessary fees and expenses incurred by an  
22 umpire, and an equal share of all reasonable and necessary  
23 costs incurred in the course of conducting the appraisal. An  
24 appraiser or an umpire shall not charge any party on a basis  
25 dependent on the outcome of the written itemized award, or  
26 charge in a manner that relies on a barter arrangement, gift,  
27 favor, or in-kind exchange. Prior to the conclusion of an  
28 appraisal process, an appraiser or umpire shall not require,  
29 demand, or accept any fee unless the loss is being handled  
30 by the appraiser or umpire on a time-plus-expense basis. An  
31 appraiser or umpire shall not charge a fee if the appraiser or  
32 umpire abandons the appraisal prior to the umpire issuing a  
33 written itemized award.

34 The required standards of conduct for, and duties of, an  
35 appraiser and an umpire are detailed in the bill. An appraiser

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1 or umpire who fails to comply with the standards and duties  
2 shall be subject to penalties.

3 The process for an appraisal is detailed in the bill. The  
4 claimant and the insurer must both provide the other party with  
5 a list stating separately the actual cash value and the amount  
6 of claimed loss for each item at issue. Within 20 calendar  
7 days of receipt of a written demand for an appraisal, the  
8 claimant and the insurer shall each select an appraiser from  
9 the appraiser list. Upon selection, the appraiser shall attest  
10 that the appraiser is competent and disinterested with regards  
11 to the appraisal.

12 Within 15 calendar days of the selection of appraisers, both  
13 appraisers shall agree on an umpire from the umpire list. A  
14 party or an appraiser may object to the umpire for good cause  
15 no later than five business days after the umpire has been  
16 selected. A replacement umpire shall then be selected by both  
17 appraisers from the umpire list. If both appraisers fail to  
18 agree on an umpire, the division shall randomly select an  
19 umpire from the umpire list and notify the parties. If either  
20 appraiser requests that an umpire be selected by a judge, a  
21 judge shall give deference to the randomly selected umpire from  
22 the umpire list by the division unless either the claimant  
23 or the insurer provides good cause for the judge to make an  
24 alternative selection.

25 Within 45 calendar days from the date the umpire is  
26 selected, both appraisers shall appraise the loss and submit  
27 the appraiser's actual cash value and amount of loss of each  
28 item to the umpire. Each appraiser shall also submit written  
29 authorization for the umpire to commence work. No later than  
30 45 calendar days after receipt of the actual cash value and  
31 amount of loss, the umpire shall prepare and provide to the  
32 parties and each appraiser a written itemized award showing the  
33 actual cash value and amount of loss.

34 All property insurance policies delivered, issued for  
35 delivery, continued, or renewed in this state on or after

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1 January 1, 2026, shall contain an appraisal clause that  
2 complies with the bill.

3 An appraiser and umpire shall act with due diligence in  
4 achieving an appraisal award. A insurer's payment of an  
5 appraisal award to an insured shall be subject to applicable  
6 policy terms and conditions, limits, and deductibles. Unless  
7 otherwise agreed on by the parties, an appraisal award shall be  
8 binding and paid by the insurer within 60 calendar days of the  
9 award being submitted to the insurer.

10 An appraiser or umpire shall report to the commissioner any  
11 administrative action taken against the appraiser or umpire  
12 within 30 calendar days of the final disposition. Within  
13 30 calendar days of the initial pretrial hearing date, an  
14 appraiser or umpire shall report to the commissioner any  
15 criminal prosecution of the appraiser or umpire. An appraiser  
16 or umpire who willfully fails to comply with such requirements  
17 is subject to penalty.

18 An appraiser or umpire has a continuing duty and obligation  
19 to keep usual and customary records pertaining to appraisals  
20 in accordance with the requirements of the bill. An appraiser  
21 or umpire who willfully fails to comply with such requirements  
22 is subject to penalty.

23 Whenever the commissioner believes that a person has been  
24 engaged or is engaging in a violation of the bill, and that a  
25 proceeding by the commissioner would be in the public interest,  
26 the commissioner shall issue and serve a statement of the  
27 charges and a notice of a hearing.

28 The division may place on probation, suspend, revoke,  
29 or refuse to issue or renew an appraiser's license or an  
30 umpire's license, and may levy a civil penalty for any of  
31 the causes detailed in the bill. If the commissioner does  
32 not renew a license or denies an application for a license,  
33 the commissioner shall notify the applicant, appraiser, or  
34 umpire and advise of the reason for nonrenewal or denial. The  
35 applicant, appraiser, or umpire may request a hearing within

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1 30 calendar days from the date of the notice. A hearing shall  
2 be conducted pursuant to the requirements detailed in the  
3 bill. The license of an umpire, an appraiser, or an appraiser  
4 business entity may be suspended, revoked, placed on probation,  
5 or refused if the commissioner finds that an umpire's,  
6 appraiser's, or appraiser business entity's violation was known  
7 or should have been known by a partner, officer, or manager of  
8 the business entity and the violation was not reported to the  
9 commissioner and corrective action was not taken.

10 In addition to, or in lieu of, denial, probation,  
11 suspension, or revocation of a license, an appraiser or umpire  
12 may be subject to a civil penalty. The commissioner may  
13 conduct an investigation and may enforce the provisions of the  
14 bill.

15 All investigative information in the possession of the  
16 commissioner that relates to appraiser or umpire discipline  
17 is privileged and confidential, and may only be disclosed as  
18 described in the bill. On appeal by the appraiser or umpire,  
19 the commissioner shall transmit the entire record of the  
20 contested case to the reviewing court. Upon a determination by  
21 the commissioner, after hearing, that an appraiser or umpire  
22 has violated a provision of the bill, the commissioner shall  
23 reduce the findings of the hearing to writing and deliver  
24 a copy of the findings to the appraiser or umpire, and the  
25 commissioner may take any of the actions described in the bill.

26 A person acting as an appraiser or an umpire without proper  
27 licensure, or an appraiser or an umpire who willfully violates  
28 any provision of, or an order issued under, the bill is guilty  
29 of a class "D" felony. When the violation results in a loss of  
30 more than \$10,000, the person or adjuster is guilty of a class  
31 "C" felony.

32 A class "D" felony is punishable by confinement for no more  
33 than five years and a fine of at least \$1,025 but not more than  
34 \$10,245. A class "C" felony is punishable by confinement for  
35 no more than 10 years and a fine of at least \$1,370 but not more

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1 than \$13,660.

2 The commissioner may refer such evidence concerning  
3 violations of the bill, or of the failure of a person to comply  
4 with the licensing requirements under the bill, to the attorney  
5 general or the district attorney who may institute criminal  
6 proceedings.

7 An appraiser or an umpire whose license has been revoked or  
8 suspended by order, or who forfeited a license, may apply to  
9 the commissioner for reinstatement or reissuance, and submit to  
10 a criminal history check.

11 All proceedings on the application for reinstatement or  
12 reissuance shall be held in accordance with Code chapter 17A.  
13 An order of reinstatement or reissuance shall be based on a  
14 written decision, and may impose such terms and conditions as  
15 the commissioner deems appropriate.

16 If an appraiser's or an umpire's ordered suspension period  
17 ends prior to the appraiser's or umpire's license expiration  
18 date and the adjuster applies for reinstatement and meets all  
19 applicable requirements, the division shall reinstate the  
20 license as soon as practicable but no earlier than the end  
21 of the suspension period. If an appraiser's or an umpire's  
22 license is suspended beyond the license expiration date, the  
23 appraiser or umpire must apply for reissuance. A submission of  
24 voluntary forfeiture of a license shall be made in writing to  
25 the commissioner.

26 The commissioner may deny an application for reinstatement  
27 or reissuance, or bring an additional immediate action, if an  
28 appraiser or an umpire has engaged in additional violations.

29 The commissioner shall deny an appraiser's or umpire's  
30 application for license issuance, renewal, reinstatement,  
31 or reissuance; suspend a current license; or revoke a  
32 currently suspended license, upon receipt of a certificate  
33 of noncompliance from the child support recovery unit or the  
34 centralized collection unit of the department of revenue.

35 DIVISION VII — IOWA ECONOMIC EMERGENCY FUND — PROCLAMATION

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1 OF DISASTER EMERGENCY. Under current law, moneys in the  
2 Iowa economic emergency fund may only be used pursuant to  
3 an appropriation by the general assembly, including for  
4 purposes of reducing or preventing an overdraft on or deficit  
5 in the general fund of the state. Each fiscal year, the  
6 bill appropriates up to 10 percent of the maximum balance  
7 of the Iowa economic emergency fund, as calculated for the  
8 immediately preceding fiscal year, to the department of  
9 management (DOM) for disaster response, disaster recovery  
10 activities, or disaster aid to citizens, at the direction of  
11 the governor, with the approval of the executive council,  
12 following a proclamation of disaster emergency. The bill  
13 allows DOM, subject to approval of the governor, to provide for  
14 an interdepartmental transfer of the moneys to another state  
15 entity for the purposes specified. Such a transfer is subject  
16 to provisions under current law requiring prior notification  
17 of appropriations committee and subcommittee chairpersons and  
18 subsequent reporting to the legislative fiscal committee,  
19 but is not otherwise subject to the other limitations and  
20 requirements of Code section 8.39.

21 DIVISION VIII — IOWA ECONOMIC EMERGENCY FUND —  
22 APPROPRIATIONS. For FY 2024-2025, there is appropriated from  
23 the Iowa economic emergency fund to the economic development  
24 authority for deposit in the nuisance property remediation  
25 assistance fund \$2 million. For FY 2024-2025, there is  
26 appropriated from the Iowa economic emergency fund to the Iowa  
27 finance authority for deposit in the disaster recovery housing  
28 assistance program fund \$11.6 million. This division of the  
29 bill takes effect upon enactment.

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House Resolution 17 - Introduced

HOUSE RESOLUTION NO. 17

BY GERHOLD

1 A Resolution recognizing the contributions of Iowa farm  
2 families, Iowa farm employees, and Iowa agricultural  
3 leaders during National Agriculture Week and Iowa  
4 Agriculture Week.

5 WHEREAS, every five years the United States  
6 Department of Agriculture conducts an agricultural  
7 census, which provides a snapshot into the  
8 demographics, economics, land use, and activities on  
9 Iowa and United States farms and ranches; and

10 WHEREAS, on February 13, 2024, the 2022 Census on  
11 Agriculture was released; and

12 WHEREAS, during the census from 2017 to 2022, the  
13 United States lost more than 141,000 farms representing  
14 a 7 percent decline and a loss of more than 20 million  
15 acres of farmland; and

16 WHEREAS, Iowa has 86,911 farms accounting for 30  
17 million acres of land dedicated to farming with more  
18 than 95 percent of Iowa farms owned by families; and

19 WHEREAS, Iowa consistently ranks first nationally  
20 in the production of corn, hogs, and eggs; first or  
21 second nationally in the production of soybeans; fourth  
22 nationally in the number of cattle and calves fed;  
23 seventh nationally in turkey production; and eleventh  
24 nationally in milk production; and

25 WHEREAS, Iowa consistently ranks first in the  
26 production of ethanol and biodiesel fuel; and

27 WHEREAS, in 2022, Iowa generated \$46.6 billion in  
28 agricultural cash receipts; and

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1 WHEREAS, the change in the number of farms in Iowa  
2 contrasts with the national trend, rising for the first  
3 time in 15 years, with an increase of 1 percent since  
4 2020; and

5 WHEREAS, the number of producers in Iowa has  
6 increased to 157,531, an increase of more than 12,000  
7 producers compared to 5 years earlier and 30,000  
8 producers more than 20 years ago; and

9 WHEREAS, the average farm size in Iowa is 345 acres,  
10 compared to 355 acres in 2017; and

11 WHEREAS, in 2022, there were 50,263 female producers  
12 in Iowa accounting for 33 percent of the state's  
13 producers, with 53 percent of Iowa farms having at  
14 least one female decision maker; and

15 WHEREAS, according to Iowa State University of  
16 Science and Technology, Iowa's agricultural economy  
17 relies upon its family farms, with 82 percent owned  
18 by individuals or families, 15 percent owned by  
19 partnerships or family corporate entities, and only 4  
20 percent owned by nonfamily business entities or other  
21 persons; and

22 WHEREAS, March 16 through March 22 is National  
23 Agriculture Week, dedicated to increasing the public  
24 awareness of agriculture's vital role in our society  
25 and recognizing this nation's unique role in producing  
26 food, fiber, and fuel for the world; and

27 WHEREAS, this year's theme for National Agriculture  
28 Week is "Agriculture: Together We Grow" recognizing  
29 the importance of agriculture in the United States and  
30 worldwide; and

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1 WHEREAS, this year's National Agriculture Week is  
2 an opportunity to encourage persons to understand how  
3 food, fuel, fiber, and pharmaceuticals are produced,  
4 to appreciate the function of farmers and ranchers in  
5 producing abundant and affordable supplies of food,  
6 fuel, fiber, and pharmaceuticals, to acknowledge the  
7 essential role of agriculture in maintaining a vibrant  
8 economy, and to allow the next generation to consider  
9 career opportunities in agriculture; and

10 WHEREAS, Governor Kim Reynolds has proclaimed  
11 March 24 through 31, 2025, as Iowa Agriculture  
12 Week, celebrating agriculture's many significant  
13 contributions to this state's economy and way of  
14 life; and

15 WHEREAS, on Monday, March 31, 2025, Iowa Secretary  
16 of Agriculture Mike Naig and the Department of  
17 Agriculture and Land Stewardship will host the 13th  
18 annual Iowa Ag Leaders Dinner; NOW THEREFORE,

19 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,  
20 That the House of Representatives recognizes March  
21 16 through March 22 as National Agriculture Week,  
22 and encourages all Iowans as residents of one of  
23 the leading agricultural states in the nation to  
24 commemorate and celebrate the invaluable contributions  
25 made by this nation's farmers and ranchers and  
26 especially Iowa farmers; and

27 BE IT FURTHER RESOLVED, That the House of  
28 Representatives recognizes Iowa agricultural leaders  
29 who will be honored and celebrated at the Iowa Ag  
30 Leaders Dinner for their contributions to this state's

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1 agricultural economy and way of life; and  
2 BE IT FURTHER RESOLVED, That a copy of this  
3 resolution be sent to the Agriculture Council of  
4 America.

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House Study Bill 324 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON KAUFMANN)

**A BILL FOR**

1 An Act excluding interchange fees imposed upon certain taxes at  
2 points of sale.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 423H.1 Definitions.

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

4 1. "*Credit card*" means a card, plate, coupon book, or other  
5 credit device existing for the purpose of obtaining money,  
6 property, labor, or services on credit.

7 2. "*Debit card*" means a card, or other payment code or  
8 device, issued or approved for use through a payment card  
9 network to debit an asset account, regardless of the purpose  
10 for which the account is established, whether authorization is  
11 based on signature, personal identification number, or other  
12 means. "*Debit card*" includes a general-use prepaid card, as  
13 defined in 15 U.S.C. §16931-1. "*Debit card*" does not include  
14 paper checks.

15 3. "*Electronic payment transaction*" means a transaction  
16 in which a person uses a debit card, credit card, or other  
17 payment code or device, issued or approved through a payment  
18 card network to debit a deposit account or use a line of  
19 credit, whether authorization is based on a signature, personal  
20 identification number, or other means.

21 4. "*Interchange fee*" means a fee established, charged,  
22 or received by a payment card network for the purpose of  
23 compensating the issuer for its involvement in an electronic  
24 payment transaction.

25 5. "*Issuer*" means a person issuing a debit card or credit  
26 card, or the agent of such a person.

27 6. "*Payment card network*" means an entity that meets all of  
28 the following:

29 a. Directly, or through licensed members, processors,  
30 or agents, provide proprietary services, infrastructure, and  
31 software that routes information and data to conduct credit  
32 card or debit card transaction authorization, clearance, or  
33 settlement.

34 b. A seller uses, as a form of payment, a brand of credit  
35 card or debit card, or other device that may be used to carry

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1 out credit or debit transactions.

2 7. "Sale" includes leases or rentals.

3 8. "Seller" means any person making sales of items or  
4 services subject to tax.

5 9. "Settlement" means the transfer of funds from the  
6 account of a customer to a seller upon electronic submission of  
7 finalized sales transactions to the payment card network.

8 10. "Tax" means sales and use taxes under chapter 423,  
9 hotel and motel taxes under chapter 423A, local option taxes  
10 under chapter 423B, automobile rental taxes under chapter 423C,  
11 equipment taxes under chapter 423D, water service taxes under  
12 chapter 423G, excise taxes on fuel under sections 452A.3 and  
13 452A.41, and cigarette and tobacco taxes under chapter 453A.

14 Sec. 2. NEW SECTION. **423H.2 Exclusion of interchange fee**  
15 **upon tax.**

16 The amount of tax calculated as a percentage of an electronic  
17 payment transaction amount and listed separately on the payment  
18 invoice or other demand for payment shall be excluded from  
19 the amount on which an interchange fee is charged for the  
20 electronic payment transaction.

21 Sec. 3. NEW SECTION. **423H.3 Payment card network**  
22 **requirements.**

23 1. a. A payment card network shall deduct the amount of  
24 any tax imposed from the calculation of an interchange fee  
25 specific to each form or type of electronic payment transaction  
26 at the time of settlement, or shall rebate the amount of an  
27 interchange fee proportionate to the amount attributable to the  
28 amount of tax.

29 b. A deduction or rebate must occur pursuant to this  
30 subsection at the time of settlement when the seller is able to  
31 capture and transmit the tax amount relevant to the sale at the  
32 time of sale as part of the transaction finalization.

33 2. If a seller is unable to capture and transmit tax  
34 or amounts relevant to the sale at the time of the sale,  
35 the payment card network shall accept proof of tax amounts

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1 collected on the sale subject to the interchange fee upon  
2 submission of the sales data by the seller and promptly credit  
3 the settlement account of the seller.

4 Sec. 4. NEW SECTION. 423H.4 Penalties.

5 1. A payment card network that violates this chapter is  
6 subject to a civil penalty in the amount of one thousand  
7 dollars per violation. Any moneys collected pursuant to this  
8 subsection shall be deposited into the general fund of the  
9 state.

10 2. In lieu of an action under subsection 1, a person may  
11 bring a private action to enforce this chapter, subject to  
12 the same penalties as provided under subsection 1, except any  
13 penalty amounts collected from the payment card network are  
14 recoverable by the person bringing the private action.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with  
17 the explanation's substance by the members of the general assembly.

18 Currently, a payment card network (credit or debit card)  
19 charges an interchange fee upon the entire electronic payment  
20 transaction amount, including the amount of any taxes charged.  
21 This bill excludes the amount of tax listed on the electronic  
22 payment transaction from the payment card network's interchange  
23 fee assessed upon such a transaction.

24 The bill defines "interchange fee" to mean a fee  
25 established, charged, or received by a payment card network for  
26 the purpose of compensating the issuer for its involvement in  
27 an electronic payment transaction.

28 The bill defines "tax" to mean sales and use taxes under Code  
29 chapter 423, hotel and motel taxes under Code chapter 423A,  
30 local option taxes under Code chapter 423B, automobile taxes  
31 under Code chapter 423C, equipment taxes under Code chapter  
32 423D, water service taxes under Code chapter 423G, excise taxes  
33 on fuel under Code sections 452A.3 and 452A.41, and cigarette  
34 and tobacco taxes under Code chapter 453A.

35 The bill requires the payment card network to deduct

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1 the amount of any tax imposed from the calculation of an  
2 interchange fee specific to each form or type of electronic  
3 payment transaction at the time of settlement, or requires the  
4 payment card network to rebate the amount of an interchange fee  
5 proportionate to the amount attributable to the amount of tax.

6 If a seller is unable to capture and transmit tax or amounts  
7 relevant to the sale at the time of the sale, the bill requires  
8 the payment card network to promptly credit the settlement  
9 account of the seller, upon sufficient proof.

10 A payment card network that violates the bill is subject to  
11 a civil penalty in the amount of \$1,000 per violation. Any  
12 moneys collected for violations of the bill shall be deposited  
13 into the general fund of the state. In lieu of the civil  
14 penalty, a person may enforce the bill through a private  
15 action, and any penalty amounts are recoverable by the person  
16 bringing the private action.

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House Study Bill 325 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON KAUFMANN)

A BILL FOR

1 An Act concerning combined services of governmental units.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 28E.45 Joint taxing authorities.

2 1. For purposes of this section, "governmental unit" means  
3 a political subdivision of the state with the authority to  
4 assess, levy, and collect taxes, including but not limited to a  
5 county, a city, a school district, or a township.

6 2. Two or more governmental units located in this state may,  
7 under a joint agreement in accordance with this chapter and in  
8 the interest of cost savings and efficiency, combine portions  
9 or all of their services and authority related to levying  
10 taxes, collecting taxes, and assessing property values or other  
11 applicable taxing methods.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with  
14 the explanation's substance by the members of the general assembly.

15 This bill provides governmental units the ability to  
16 combine their services and authority related to levying  
17 taxes, collecting taxes, and assessing property values or  
18 other applicable taxing methods by entering into an agreement  
19 pursuant to Code chapter 28E. "Governmental unit" is defined  
20 to mean a political subdivision of the state with the authority  
21 to assess, levy, and collect taxes, which includes but is not  
22 limited to a county, a city, a school district, or a township.

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House Study Bill 326 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON KAUFMANN)

**A BILL FOR**

1 An Act relating to state services and benefits provided to  
2 disabled veterans, making penalties applicable, and making  
3 appropriations.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

VEHICLE REGISTRATION FEES — DISABLED VETERANS EXEMPT

Section 1. Section 321.46, subsection 2, Code 2025, is amended to read as follows:

2. a. Upon filing the application for a new initial registration and a new title, the applicant shall pay a title fee of thirty dollars, an annual registration fee prorated for the remaining unexpired months of the registration year, and a fee for new registration if applicable.

b. A manufacturer applying for a certificate of title pursuant to [section 322G.12](#) shall pay a title fee of twenty dollars. However, a title fee shall not be charged to a manufactured or mobile home retailer applying for a certificate of title for a used mobile home or manufactured home, titled in Iowa, as required under [section 321.45, subsection 4](#). The county treasurer, if satisfied of the genuineness and regularity of the application, and in the case of a mobile home or manufactured home, that taxes are not owing under chapter 435, and that applicant has complied with all the requirements of [this chapter](#), shall issue a new certificate of title and, except for a mobile home, manufactured home, or a vehicle returned to and accepted by a manufacturer as described in [section 322G.12](#), a registration card to the purchaser or transferee, shall cancel the prior registration for the vehicle, and shall forward the necessary copies to the department on the date of issuance, as prescribed in section 321.24. Mobile homes or manufactured homes titled under chapter 448 that have been subject under [section 446.18](#) to a public bidder sale in a county shall be titled in the county's name, with no fee, and the county treasurer shall issue the title.

c. A veteran, as defined in section 35.1, who is a resident of the state of Iowa and has a service-connected disability rating of one hundred percent as certified by the United States department of veterans affairs shall not be charged a title

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1 fee.

2 Sec. 2. Section 321.105, Code 2025, is amended by adding the  
3 following new subsection:

4 NEW SUBSECTION. 6. A veteran, as defined in section  
5 35.1, with a service-connected disability rating of one  
6 hundred percent as certified by the United States department  
7 of veterans affairs and who is not otherwise exempt under  
8 subsection 5 is exempt from payment of annual registration  
9 fees provided in this chapter for not more than three vehicles  
10 registered by the veteran, if the veteran resides in Iowa. The  
11 veteran shall be provided, without fee, one set of regular  
12 registration plates for each vehicle. In lieu of the set of  
13 regular registration plates available without fee, the veteran  
14 may obtain a set of special registration plates or personalized  
15 registration plates issued under section 321.34 by paying the  
16 additional fees associated with those plates.

17 Sec. 3. NEW SECTION. 321.114 **Disabled veterans fee waiver.**

18 The department may waive any administrative fee related  
19 to vehicle ownership for a veteran, as defined in section  
20 35.1, who is a resident of the state of Iowa and has a  
21 service-connected disability rating of one hundred percent as  
22 certified by the United States department of veterans affairs.

23

DIVISION II

24

DISABLED VETERAN TAX CREDIT

25 Sec. 4. NEW SECTION. 426D.1 **Disabled veteran property tax**  
26 **credit.**

27 1. For purposes of this section, "*qualifying veteran*" means  
28 a person who meets the definition of a veteran under section  
29 35.1, is a resident of Iowa, and has a service-connected  
30 disability rating of one hundred percent as certified by the  
31 United States department of veterans affairs.

32 2. A qualifying veteran shall be allowed a credit on the  
33 qualifying veteran's primary residence.

34 3. The amount of the credit under this section on a property  
35 shall be equal to the property tax owed on the property.

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1 4. a. Except as provided in paragraph "b", the list of  
2 the names and addresses of individuals allowed a credit under  
3 this section and maintained by the county recorder, county  
4 treasurer, county assessor, city assessor, or other government  
5 body is confidential information and shall not be disseminated  
6 to any person unless otherwise ordered by a court or released  
7 by the lawful custodian of the records pursuant to state or  
8 federal law. The county recorder, county treasurer, county  
9 assessor, city assessor, or other government body responsible  
10 for maintaining the names and addresses of individuals  
11 allowed a credit under this section may display the credit on  
12 individual paper records and individual electronic records,  
13 including display on an internet site.

14 b. Upon request, a county recorder, county assessor, city  
15 assessor, or other entity may share information as described  
16 in paragraph "a" with a county veterans service officer for  
17 purposes of providing information on benefits and services  
18 available to veterans and their families.

19 Sec. 5. NEW SECTION. **426D.2 Computation by auditor.**

20 On or before August 1 of each year, the county auditor shall  
21 certify to the county treasurer all claims for disabled veteran  
22 tax credits that have been allowed by the board of supervisors.  
23 Such certificate shall list the total amount of dollars, listed  
24 by taxing district in the county, due for disabled veteran  
25 tax credits claimed and allowed. The county treasurer shall  
26 certify to the department of revenue the amount of dollars,  
27 listed by taxing district in the county, due for disabled  
28 veteran tax credits claimed and allowed.

29 Sec. 6. NEW SECTION. **426D.3 Certification by director of**  
30 **revenue.**

31 Sums distributable from the general fund of the state  
32 shall be allocated annually to the counties of the state.  
33 On September 15 of each year, the director of revenue shall  
34 certify and the department of administrative services shall  
35 draw warrants to the treasurer of each county payable from the

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1 general fund of the state in the amount claimed. Payments  
2 shall be made to the treasurer of each county no later than  
3 September 30 of each year.

4 Sec. 7. NEW SECTION. **426D.4 Proportionate shares to**  
5 **districts.**

6 The amount of credits received under this chapter shall be  
7 apportioned by each county treasurer to the several taxing  
8 districts. Each taxing district shall receive its share of the  
9 disabled veteran tax credit allowed in the taxing district on a  
10 property in an amount equal to the proportion of the levy made  
11 by the taxing district in relation to the total of all levies  
12 made on the property.

13 Sec. 8. NEW SECTION. **426D.5 Setting aside allowance.**

14 If the department of revenue determines that a claim for  
15 disabled veteran tax credit has been allowed by a board of  
16 supervisors that is not justifiable under the law and not  
17 substantiated by proper facts, the department may, at any time  
18 within thirty-six months from July 1 of the year in which  
19 the claim is allowed, set aside the allowance. Notice of  
20 the disallowance shall be given to the county auditor of the  
21 county in which the claim has been improperly granted and a  
22 written notice of the disallowance shall also be addressed  
23 to the claimant at the claimant's last known address. The  
24 claimant or the board of supervisors may appeal to the  
25 director of revenue within thirty days from the date of the  
26 notice of disallowance. The director shall grant a hearing  
27 and if, upon the hearing, the director determines that the  
28 disallowance was incorrect, the director shall set aside the  
29 disallowance. The director shall notify the claimant and  
30 the board of supervisors of the result of the hearing. The  
31 claimant or the board of supervisors may seek judicial review  
32 of the action of the director of revenue in accordance with  
33 chapter 17A. If a claim is disallowed by the department of  
34 revenue and not appealed to the director of revenue or appealed  
35 to the director of revenue and subsequently upheld upon final

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1 resolution, including judicial review, the credits allowed and  
2 paid from the general fund of the state become a lien upon the  
3 property on which the credit was originally granted if the  
4 property is still owned by the claimant and not a bona fide  
5 purchaser. The amount owing on the lien shall be collected by  
6 the county treasurer in the same manner as other taxes, and  
7 the collections shall be returned to the department of revenue  
8 and credited to the general fund of the state. The director  
9 of revenue may institute legal proceedings against a disabled  
10 veteran tax credit claimant for the collection of payments made  
11 on disallowed credits.

12 Sec. 9. NEW SECTION. **426D.6 Forms — rules.**

13 1. The director of revenue shall prescribe the form for  
14 making a verified statement and designating property for the  
15 disabled veteran tax credit and such other forms as may be  
16 necessary for the proper administration of this chapter. The  
17 department of revenue shall forward to each county auditor  
18 prescribed sample forms.

19 2. The department of revenue shall adopt rules pursuant to  
20 chapter 17A to implement and administer this chapter.

21 Sec. 10. NEW SECTION. **426D.7 Excess remitted — appeals.**

22 1. If the amount of credit apportioned to any property  
23 eligible for a disabled veteran tax credit under this chapter  
24 in any year shall exceed the total tax, exclusive of any  
25 special assessments levied against such property eligible  
26 for the disabled veteran tax credit, then the excess shall  
27 be remitted by the county treasurer to the department of  
28 revenue to be redeposited in the general fund of the state and  
29 reallocated the following year by the department.

30 2. a. If any claim for a credit made has been denied  
31 by the board of supervisors, and the action is subsequently  
32 reversed on appeal, the credit shall be allowed on the assessed  
33 valuation, not to exceed the amount of the disabled veteran  
34 tax credit involved in the appeal, as was allowed on other  
35 disabled veteran tax credit valuations for the year or years in

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1 question, and the director of revenue, the county auditor, and  
2 the county treasurer shall credit and change their books and  
3 records accordingly.

4 *b.* If the appealing taxpayer has paid one or both of  
5 the installments of the tax payable in the year or years  
6 in question on the disabled veteran tax credit valuation,  
7 remittance shall be made to the county treasurer in the amount  
8 of such credit.

9 *c.* The amount of the credit shall be allocated and paid  
10 from the surplus redeposited in the general fund of the state  
11 provided for in subsection 1.

12 **Sec. 11. NEW SECTION. 426D.8 Erroneous credits.**

13 If any claim is allowed, and subsequently reversed on  
14 appeal, any credit shall be void, and the amount of the  
15 credit shall be charged against the property in question, and  
16 the director of revenue, the county auditor, and the county  
17 treasurer shall correct their books and records. The amount of  
18 the erroneous credit, when collected, shall be returned by the  
19 county treasurer to the general fund of the state.

20 **Sec. 12. NEW SECTION. 426D.9 Allowance — continuing**  
21 **effectiveness.**

22 1. The assessor shall retain a permanent file of current  
23 disabled veteran tax credit claims filed in the assessor's  
24 office. The assessor shall file a notice of transfer of  
25 property for which a claim is filed when notice is received  
26 from the office of the county recorder, from the person  
27 who sold or transferred the property, or from the personal  
28 representative of a deceased claimant.

29 2. The county recorder shall give notice to the assessor  
30 of each transfer of title filed in the recorder's office. The  
31 notice shall describe the property transferred, the name of the  
32 person transferring the title to the property, and the name of  
33 the person to whom title to the property has been transferred.

34 3. Not later than July 6 of each year, the assessor shall  
35 remit the claims and designations of property to the county

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1 auditor with the assessor's recommendation for allowance  
2 or disallowance. If the assessor recommends disallowance  
3 of a claim, the assessor shall submit the reasons for the  
4 recommendation, in writing, to the county auditor.

5 4. The county auditor shall forward the claims to the board  
6 of supervisors. The board shall allow or disallow the claims.  
7 If the board disallows a claim, it shall send written notice,  
8 by mail, to the claimant at the claimant's last known address.  
9 The notice shall state the reasons for disallowing the claim  
10 for the credit. The board is not required to send notice that  
11 a claim is disallowed if the claimant voluntarily withdraws the  
12 claim.

13 5. Any person whose claim is denied under the provisions  
14 of this chapter may appeal from the action of the board of  
15 supervisors in the district court of the county in which said  
16 claimed disabled veteran tax credit is situated by giving  
17 written notice of such appeal to the county auditor of said  
18 county within twenty days from the date of mailing of notice of  
19 such action by the board of supervisors.

20 6. Upon adoption of a resolution by the county board of  
21 supervisors, any person may request, in writing, from the  
22 appropriate assessor forms for the filing for a disabled  
23 veteran tax credit. The person may complete the form, which  
24 shall include a statement claiming the disabled veteran tax  
25 credit and designating the property upon which the tax credit  
26 is claimed, and mail or return it to the appropriate assessor.  
27 The signature of the claimant on the claim shall be considered  
28 the claimant's acknowledgment that all statements and facts  
29 entered on the form are correct to the best of the claimant's  
30 knowledge.

31 Sec. 13. NEW SECTION. 426D.10 Penalty.

32 Any person making a false affidavit for the purpose of  
33 obtaining the credit provided for in this chapter or who  
34 knowingly receives the credit without being legally entitled to  
35 the credit, shall be guilty of a fraudulent practice.



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1 The division defines "qualifying veteran" as a person  
2 who meets the definition of a veteran under Code section  
3 35.1 (veterans affairs), is a resident of Iowa, and has a  
4 service-connected disability rating of 100 percent as certified  
5 by the United States department of veterans affairs.

6 The division allows a qualifying veteran a credit on a  
7 qualifying veteran's primary residence. The amount of the  
8 credit on a property is equal to the property tax owed on the  
9 property.

10 Except upon a county veterans service officer's request  
11 for the purposes of providing information on benefits and  
12 services available to veterans and their families, the division  
13 makes confidential the list of the names and addresses of  
14 individuals allowed a credit under the division and maintained  
15 by the county recorder, county treasurer, county assessor, city  
16 assessor, or other government body. The division prohibits  
17 this information from being disseminated to any person  
18 unless otherwise ordered by a court or released by the lawful  
19 custodian of the records pursuant to state or federal law.  
20 The county recorder, county treasurer, county assessor, city  
21 assessor, or other government body responsible for maintaining  
22 the names and addresses of individuals allowed a credit may  
23 display the credit on individual paper records and individual  
24 electronic records, including display on an internet site.

25 The division requires the department of revenue, the  
26 department of administrative services, county auditors, county  
27 treasurers, and assessors to administer the disabled veteran  
28 tax credit in a manner similar to the military service tax  
29 credit and exemptions in Code chapter 426A.

30 The division makes any person who makes a false affidavit  
31 for the purpose of obtaining the disabled veteran tax credit  
32 or who knowingly receives the credit without being legally  
33 entitled to the credit guilty of a fraudulent practice. A  
34 fraudulent practice is punishable based on the amount of value  
35 involved, and may range from a simple misdemeanor punishable

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1 by confinement for no more than 30 days and a fine of at least  
2 \$105 but not more than \$855, to a class "C" felony punishable  
3 by confinement for no more than 10 years and a fine of at least  
4 \$1,370 but not more than \$13,660.

5 The division appropriates from the general fund of the state  
6 amounts necessary to fund the disabled veteran tax credit.

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**Senate File 618 - Introduced**

SENATE FILE 618  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 575)  
(SUCCESSOR TO SSB 1163)

(COMPANION TO HF 972 BY  
COMMITTEE ON APPROPRIATIONS)

**A BILL FOR**

1 An Act relating to health care including a funding model for  
2 the rural health care system; the elimination of several  
3 health care-related award, grant, residency, and fellowship  
4 programs; establishment of a health care professional  
5 incentive program; Medicaid graduate medical education; the  
6 health facilities council; and the Iowa health information  
7 network, making appropriations, and including effective date  
8 provisions.

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

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DIVISION I

HEALTH CARE HUB-AND-SPOKE PARTNERSHIP FUNDING MODEL

Section 1. HEALTH CARE HUB-AND-SPOKE PARTNERSHIP FUNDING MODEL APPROVAL. The department of health and human services shall submit to the centers for Medicare and Medicaid services of the United States department of health and human services a request for approval for a health care hub-and-spoke partnership funding model for the purpose of improving Iowa's rural health system to establish sufficient financial support for collaboration among regional health care providers in rural areas to transform health care delivery to provide quality and sustainable care.

Sec. 2. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION II

ELIMINATION OF PRIMECARRE PROGRAMS — DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 3. Section 135.107, subsection 1, Code 2025, is amended by adding the following new paragraph:

NEW PARAGRAPH. *f.* Coordinate with the college student aid commission to administer the health professional incentive program created in section 256.222.

Sec. 4. Section 135.107, subsections 2 and 3, Code 2025, are amended by striking the subsections.

Sec. 5. Section 135B.33, subsection 3, Code 2025, is amended to read as follows:

3. The health facilities may seek technical assistance ~~or apply for matching grant funds~~ for the plan development. ~~The department shall require compliance with [subsection 1](#), paragraphs "a" through "h", when the facility applies for matching grant funds.~~

Sec. 6. TRANSITION PROVISIONS — ACCOUNT.

1. The department of health and human services shall make loan repayments pursuant to a loan repayment program contract, including a United States department of health and human

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1 services state loan repayment program contract, executed on  
2 or before December 31, 2025, under the primary care provider  
3 loan repayment program in section 135.107, Code 2025, if the  
4 recipient remains in compliance with all obligations under the  
5 loan repayment program contract.

6 2. a. The department of health and human services shall  
7 create an account for deposit of any moneys encumbered or  
8 obligated pursuant to a loan repayment program contract as  
9 specified in subsection 1. The department shall ensure that  
10 the encumbered and obligated moneys remain available for the  
11 duration of the loan repayment program contract. Moneys in the  
12 account are appropriated to the department for the purposes of  
13 this section.

14 b. Notwithstanding section 8.33, any balance in the account  
15 shall not revert but shall remain available for the duration of  
16 such loan repayment program contracts. Notwithstanding section  
17 12C.7, subsection 2, interest or earnings on moneys deposited  
18 in the account shall be credited to the account.

19 c. Upon expiration of all loan repayment program contract  
20 periods and the expenditure of all moneys encumbered and  
21 obligated under such loan repayment contracts, any unencumbered  
22 or unobligated moneys remaining in the account created under  
23 this section shall be deposited in the health care professional  
24 incentive program fund created in section 256.222, as enacted  
25 by this Act.

26 DIVISION III

27 ELIMINATION OF HEALTH CARE-RELATED LOAN REPAYMENT AND FINANCIAL  
28 AWARD PROGRAMS — COLLEGE STUDENT AID COMMISSION

29 Sec. 7. REPEAL. Sections 256.221, 256.223, 256.224, and  
30 256.225, Code 2025, are repealed.

31 Sec. 8. TRANSITION PROVISIONS.

32 1. The college student aid commission shall make loan  
33 repayments pursuant to a program agreement entered into on or  
34 before June 30, 2025, by an eligible student and the commission  
35 under the rural Iowa primary care loan repayment program

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1 in section 256.221, Code 2025, if the student remains in  
2 compliance with all obligations under the program agreement.

3 2. The college student aid commission shall make loan  
4 repayments pursuant to a contract entered into on or before  
5 June 30, 2025, by a health care professional and the commission  
6 under the health care professional recruitment program in  
7 section 256.223, Code 2025, if the health care professional  
8 remains in compliance with all obligations under the contract.

9 3. The college student aid commission shall provide the  
10 annual award to a recipient selected on or before June 30,  
11 2025, for an award under the health care award program in  
12 section 256.224, Code 2025.

13 4. The college student aid commission shall make loan  
14 repayments pursuant to a program agreement entered into on or  
15 before June 30, 2025, by a mental health professional and the  
16 commission under the mental health professional loan repayment  
17 program in section 256.225, Code 2025, if the mental health  
18 professional remains in compliance with all obligations under  
19 the program agreement.

20 Sec. 9. TRANSFER OF MONEYS. On the effective date of this  
21 division of this Act, any unencumbered and unobligated moneys  
22 remaining in the following funds shall be transferred to the  
23 health care professional incentive program fund created in  
24 section 256.222, as enacted in this Act:

25 1. The rural Iowa primary care trust fund created in section  
26 256.221, subsection 12, Code 2025.

27 2. The health care professional recruitment fund created in  
28 section 256.223, subsection 4, Code 2025.

29 3. The health care award fund created in section 256.224,  
30 subsection 6, Code 2025.

31 4. The mental health professional loan repayment fund  
32 created in section 256.225, subsection 7, Code 2025.

33 Sec. 10. TRANSITION — ACCOUNTS.

34 1. The college student aid commission shall create  
35 individual accounts for the deposit of any moneys encumbered or

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1 obligated relating to a loan repayment or award funded under  
2 each of the following programs:

3 a. The rural Iowa primary care loan repayment program under  
4 section 256.221, Code 2025.

5 b. The health care professional recruitment program under  
6 section 256.223, Code 2025.

7 c. The health care award program under section 256.224, Code  
8 2025.

9 d. The mental health professional loan repayment program  
10 under section 256.225, Code 2025.

11 2. Notwithstanding section 8.33, any balance in any of  
12 the accounts created under subsection 1 shall not revert but  
13 shall remain available for the duration of all applicable  
14 loan repayments and awards. Notwithstanding section 12C.7,  
15 subsection 2, interest or earnings on moneys deposited in each  
16 account shall be credited to the respective account.

17 3. Upon expiration of all program agreement, contract,  
18 and award disbursement periods and the expenditure of all  
19 moneys encumbered and obligated under such program agreements,  
20 contracts, and awards, any unencumbered or unobligated moneys  
21 remaining in the accounts created under this section shall be  
22 deposited in the health care professional incentive program  
23 fund created in section 256.222, as enacted by this Act.

24 DIVISION IV

25 HEALTH CARE PROFESSIONAL INCENTIVE PROGRAM ESTABLISHED

26 Sec. 11. NEW SECTION. 256.222 Health care professional  
27 incentive program — fund.

28 1. *Definitions.* For purposes of this section, unless the  
29 context otherwise requires:

30 a. "Award" means either of the following:

31 (1) A loan repayment made on behalf of an eligible health  
32 care professional on the total amount owed, including principal  
33 and interest, by the eligible health care professional on any  
34 of the following:

35 (a) A federally guaranteed Stafford loan under the federal

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1 family education loan program or the federal direct loan  
2 program.

3 (b) A federal grad plus loan.

4 (c) A consolidated federally guaranteed Stafford loan under  
5 the federal family education loan program or the federal direct  
6 loan program.

7 (d) A consolidated federal grad plus loan.

8 (2) An income bonus paid to an eligible health care  
9 professional.

10 *b. "Commission"* means the college student aid commission.

11 *c. "Department"* means the department of health and human  
12 services.

13 *d. "Eligible health care profession"* means health care  
14 occupational categories that are in high demand, as determined  
15 and maintained on a list by the department, and may include but  
16 are not limited to physicians, physician assistants, registered  
17 nurses, nurse practitioners, nurse educators, and mental health  
18 professionals.

19 *e. "Eligible health care professional"* means an individual  
20 currently employed, or who will be employed, in an eligible  
21 health care profession that is located in an eligible practice  
22 area.

23 *f. "Eligible practice area"* means a geographic region  
24 or county in this state that has a shortage of health care  
25 professionals as determined by the department.

26 *g. "Employment obligation"* means the number of consecutive  
27 years an eligible health care professional must practice.

28 (1) If practicing full-time, which means at least two  
29 thousand eighty hours of work in a calendar year, including all  
30 paid holidays, vacations, sick time, and other paid leave, an  
31 eligible health care professional must practice for five years.

32 (2) If practicing part-time, which means at least one  
33 thousand five hundred sixty hours of work in a calendar year,  
34 including all paid holidays, vacations, sick time, and other  
35 paid leave, an eligible health care professional must practice

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1 for seven years.

2 *h. "Program"* means the health care professional incentive  
3 program established in this section.

4 2. *Program established.* The health care professional  
5 incentive program is established and shall be administered  
6 by the commission, in coordination with the department, for  
7 the purpose of offering awards to recruit and retain eligible  
8 health care professionals for employment in eligible practice  
9 areas. For the fiscal year beginning July 1, 2025, and  
10 each fiscal year thereafter, the commission, in coordination  
11 with the department, shall determine the number of awards  
12 available for each eligible health care profession prior to the  
13 commencement of the fiscal year.

14 3. *Legislative intent.* It is the intent of the general  
15 assembly that the program shall not interfere with local  
16 community investments to recruit and retain health care  
17 professionals.

18 4. *Exceptions.* An eligible health care professional shall  
19 be ineligible for the program if the eligible health care  
20 professional is currently participating in, or has participated  
21 in, any of the following:

22 *a.* The primary care provider loan repayment program pursuant  
23 to section 135.107, Code 2025.

24 *b.* The rural Iowa primary care loan repayment program  
25 pursuant to section 256.221, Code 2025.

26 *c.* The health care professional recruitment program pursuant  
27 to section 256.223, Code 2025.

28 *d.* The health care award program pursuant to section  
29 256.224, Code 2025.

30 *e.* The mental health professional loan repayment program  
31 pursuant to section 256.225, Code 2025.

32 5. *Program requirements.*

33 *a.* An eligible health care professional may submit an  
34 application for the program to the commission in the form and  
35 manner prescribed by the commission. The applicant shall

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1 elect to receive an award as either a loan repayment or an  
2 income bonus if selected for the program, and shall submit any  
3 additional information requested by the commission.

4 *b.* The commission shall give priority to an applicant  
5 fulfilling a full-time employment obligation.

6 *c.* If selected for an award, the eligible health care  
7 professional and the commission shall execute a program  
8 agreement that specifies all of the following:

9 (1) The date the eligible health care professional's  
10 employment obligation begins, which shall be no later than six  
11 months from the date the program agreement is executed.

12 (2) The date the health care professional's employment  
13 obligation terminates.

14 (3) Whether the award is a loan repayment or an income  
15 bonus, and the terms and conditions related to the award,  
16 including the aggregate award amount that the eligible health  
17 care professional will receive.

18 (4) Requirements regarding the eligible health care  
19 professional's license to practice in this state while  
20 participating in the program.

21 (5) All other terms and conditions agreed to by the eligible  
22 health care professional and the commission.

23 *6. Awards.*

24 *a.* Upon verifying the eligible health care professional is  
25 in compliance with all terms of the program agreement executed  
26 pursuant to subsection 5, paragraph "c", the commission shall  
27 pay the eligible health care professional's award annually as  
28 follows:

29 (1) For a full-time employment obligation, the award shall  
30 be paid as follows:

31 (a) An amount equal to twenty percent of the aggregate award  
32 shall be paid to the eligible health care professional after  
33 the completion of the first year of the eligible health care  
34 professional's employment obligation.

35 (b) An amount equal to fifteen percent of the aggregate

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1 award shall be paid to the eligible health care professional  
2 after the completion of the second year, the third year, and  
3 the fourth year of the eligible health care professional's  
4 employment obligation.

5 (c) An amount equal to thirty-five percent of the aggregate  
6 award shall be paid to the eligible health care professional  
7 after the completion of the fifth year of the eligible health  
8 care professional's employment obligation.

9 (2) For a part-time employment obligation, the aggregate  
10 award shall be prorated by the commission.

11 b. A minimum of every five years, the commission, in  
12 consultation with the department, shall establish a list of  
13 eligible health care professions and the aggregate award amount  
14 for each eligible health care profession. The aggregate award  
15 amount shall not exceed two hundred thousand dollars.

16 c. An individual who executed a program agreement under  
17 subsection 5, paragraph "c", prior to the exclusion of the  
18 individual's health care profession from the list established  
19 under paragraph "b" shall remain eligible for the program per  
20 the terms of the individual's program agreement.

21 7. *Health care professional incentive program fund.* A  
22 health care professional incentive program fund is created in  
23 the state treasury under the control of the commission. All  
24 moneys deposited or paid into the fund are appropriated to the  
25 commission to be used for awards as provided in this section.  
26 Notwithstanding section 8.33, moneys in the fund that remain  
27 unencumbered or unobligated at the close of each fiscal year  
28 shall not revert but shall remain available for expenditure.  
29 Notwithstanding section 12C.7, subsection 2, interest or  
30 earnings on moneys in the fund shall be credited to the fund  
31 and may be utilized by the commission for administrative costs.

32 8. *Rules.* The commission, in coordination with the  
33 department, shall adopt rules pursuant to chapter 17A to  
34 administer this section.

35 Sec. 12. EFFECTIVE DATE. This division of this Act, being

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1 deemed of immediate importance, takes effect upon enactment.

2 DIVISION V

3 GRADUATE MEDICAL EDUCATION — MEDICAID SUPPLEMENTAL ENHANCED  
4 PAYMENT

5 Sec. 13. GRADUATE MEDICAL EDUCATION — MEDICAID  
6 SUPPLEMENTAL ENHANCED PAYMENT. The department of health and  
7 human services shall submit to the centers for Medicare and  
8 Medicaid services of the United States department of health  
9 and human services a request for approval for a Medicaid  
10 supplemental enhanced payment for the purposes of maximizing  
11 federal funding opportunities for graduate medical education,  
12 and to increase the number of medical residencies in the state.  
13 Upon receipt of federal approval, the department of health and  
14 human services shall notify the general assembly and the Code  
15 editor.

16 Sec. 14. EFFECTIVE DATE. This division of this Act, being  
17 deemed of immediate importance, takes effect upon enactment.

18 DIVISION VI

19 ELIMINATION OF HEALTH CARE-RELATED GRANT, RESIDENCY, AND  
20 FELLOWSHIP PROGRAMS — DEPARTMENT OF HEALTH AND HUMAN SERVICES

21 Sec. 15. Section 135.179, subsection 2, Code 2025, is  
22 amended to read as follows:

23 ~~2. Funding for the program may be provided through the~~  
24 ~~health care workforce shortage fund or the fulfilling Iowa's~~  
25 ~~need for dentists matching grant program account created in~~  
26 ~~section 135.175.~~ The purpose of the program is to establish,  
27 expand, or support the placement of dentists in dental or rural  
28 shortage areas across the state by providing education loan  
29 repayments.

30 Sec. 16. Section 249M.4, subsection 2, Code 2025, is amended  
31 to read as follows:

32 2. Moneys in the trust fund shall be used, subject to  
33 their appropriation by the general assembly, by the department  
34 to reimburse participating hospitals the medical assistance  
35 program upper payment limit for inpatient and outpatient

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1 hospital services as calculated in [this section](#). Following  
2 payment of such upper payment limit to participating hospitals,  
3 any remaining funds in the trust fund on an annual basis may be  
4 used for any of the following purposes:

5 *a.* To support medical assistance program utilization  
6 shortfalls.

7 *b.* To maintain the state's capacity to provide access to and  
8 delivery of services for vulnerable Iowans.

9 ~~*c.* To fund the health care workforce support initiative  
10 created pursuant to [section 135.175](#).~~

11 ~~*d.* *c.* To support access to health care services for  
12 uninsured Iowans.~~

13 ~~*e.* *d.* To support Iowa hospital programs and services which  
14 expand access to health care services for Iowans.~~

15 Sec. 17. REPEAL. Sections 135.175, 135.176, 135.178, and  
16 135.193, Code 2025, are repealed.

17 Sec. 18. TRANSITION PROVISIONS.

18 1. *a.* The department of health and human services shall  
19 provide matching state funding to a sponsor awarded on or  
20 before June 30, 2025, under the medical residency training  
21 state matching grants program in section 135.176, Code 2025,  
22 until all residents in the funded residencies have completed or  
23 left the program.

24 *b.* The department of health and human services shall provide  
25 matching state funding to a sponsor for medical residency  
26 training program liability costs awarded on or before June  
27 30, 2025, under the medical residency training state matching  
28 grants program in section 135.176, Code 2025, until June 30,  
29 2026.

30 2. The department of health and human services shall provide  
31 matching state funding to a sponsor awarded on or before June  
32 30, 2025, under the nurse residency state matching grants  
33 program in section 135.178, Code 2025, until all residents have  
34 completed or left the nurse residency programs.

35 3. The department of health and human services shall fund

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1 a fellowship position pursuant to a program agreement entered  
2 into on or before June 30, 2025, by a participating teaching  
3 hospital and a participating fellow under the state-funded  
4 family medicine obstetrics fellowship program in section  
5 135.193, Code 2025, if the participating fellow remains in  
6 compliance with all obligations under the program agreement.

7 4. The department of health and human services shall fund  
8 a rural psychiatric residency for a resident selected on or  
9 before June 30, 2025, until all residents have completed  
10 or left the rural psychiatric residencies, pursuant to  
11 appropriations as provided in the following:

12 a. 2024 Iowa Acts, chapter 1157, section 5, subsection 3,  
13 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.

14 b. 2023 Iowa Acts, chapter 112, section 5, subsection 4,  
15 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,  
16 section 29.

17 c. 2022 Iowa Acts, chapter 1131, section 3, subsection 4,  
18 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,  
19 section 23.

20 d. 2021 Iowa Acts, chapter 182, section 3, subsection 4,  
21 paragraph "j".

22 e. 2019 Iowa Acts, chapter 85, section 3, subsection 4,  
23 paragraph "j", as amended by 2020 Iowa Acts, chapter 1121,  
24 section 19.

25 Sec. 19. TRANSFER OF MONEYS. Notwithstanding section 8.33  
26 or any other provision to the contrary, any unobligated or  
27 unencumbered moneys in any of the following accounts or funds  
28 or constituting any specified appropriation, shall not revert  
29 but are appropriated to the department of health and human  
30 services to fund Medicaid graduate medical education efforts.

31 1. The health care workforce shortage fund created in  
32 section 135.175, subsection 1, paragraph "b", Code 2025.

33 2. The medical residency training account created in  
34 section 135.175, subsection 5, paragraph "a", Code 2025.

35 3. The nurse residency state matching grants program

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1 account created in section 135.175, subsection 5, paragraph  
2 "b", Code 2025.

3 4. The health care workforce shortage national initiatives  
4 account created in section 135.175, subsection 5, paragraph  
5 "c", Code 2025.

6 5. The family medicine obstetrics fellowship program fund  
7 created in section 135.193, Code 2025.

8 6. Moneys appropriated to the department of health and human  
9 services for rural psychiatric residencies to fund psychiatric  
10 residents to provide mental health services in underserved  
11 areas of the state as described in the following:

12 a. 2024 Iowa Acts, chapter 1157, section 5, subsection 3,  
13 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.

14 b. 2023 Iowa Acts, chapter 112, section 5, subsection 4,  
15 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,  
16 section 29.

17 c. 2022 Iowa Acts, chapter 1131, section 3, subsection 4,  
18 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,  
19 section 23.

20 d. 2021 Iowa Acts, chapter 182, section 3, subsection 4,  
21 paragraph "j".

22 e. 2019 Iowa Acts, chapter 85, section 3, subsection 4,  
23 paragraph "j", as amended by 2020 Iowa Acts, chapter 1121,  
24 section 19.

25 Sec. 20. TRANSITION — ACCOUNTS.

26 1. The department of health and human services shall create  
27 individual accounts for the deposit of any moneys encumbered  
28 or obligated relating to a grant awarded, or residency or  
29 fellowship funded, under each of the following programs:

30 a. The medical residency training state matching grants  
31 program under section 135.176, Code 2025.

32 b. The nurse residency state matching grants program under  
33 section 135.178, Code 2025.

34 c. The state-funded family medicine obstetrics fellowship  
35 program under section 135.193, Code 2025.

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1 d. Rural psychiatric residencies as described in the  
2 following:

3 (1) 2024 Iowa Acts, chapter 1157, section 5, subsection 3,  
4 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.

5 (2) 2023 Iowa Acts, chapter 112, section 5, subsection 4,  
6 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,  
7 section 29.

8 (3) 2022 Iowa Acts, chapter 1131, section 3, subsection  
9 4, paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,  
10 section 23.

11 (4) 2021 Iowa Acts, chapter 182, section 3, subsection 4,  
12 paragraph "j".

13 (5) 2019 Iowa Acts, chapter 85, section 3, subsection 4,  
14 paragraph "j", as amended by 2020 Iowa Acts, chapter 1121,  
15 section 19.

16 2. Notwithstanding section 8.33, any balance in any of the  
17 accounts created under subsection 1 shall not revert but shall  
18 remain available for the duration of all applicable grants,  
19 residencies, and fellowships. Notwithstanding section 12C.7,  
20 subsection 2, interest or earnings on moneys deposited in each  
21 account shall be credited to the respective account.

22 3. Upon expiration of all grant, residency, and fellowship  
23 periods and the expenditure of all moneys encumbered under  
24 such grants, residencies, and fellowships, any unencumbered or  
25 unobligated moneys remaining in any of the accounts created  
26 under subsection 1 are appropriated to the department of health  
27 and human services for Medicaid graduate medical education  
28 efforts.

29 Sec. 21. CONTINGENT EFFECTIVE DATE. This division of  
30 this Act takes effect upon the date that the department of  
31 health and human services notifies the general assembly and the  
32 Code editor of the receipt of federal approval for a Medicaid  
33 supplemental enhanced payment for the purposes of maximizing  
34 federal funding opportunities for graduate medical education,  
35 and to increase the number of medical residencies in the state.

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DIVISION VII

ELIMINATION OF THE STATE-FUNDED PSYCHIATRY RESIDENCY AND  
FELLOWSHIP POSITIONS — UNIVERSITY OF IOWA HOSPITALS AND  
CLINICS

Sec. 22. REPEAL. Section 135.180, Code 2025, is repealed.

Sec. 23. TRANSITION PROVISIONS. The board of regents shall direct the university of Iowa hospitals and clinics to distribute moneys for state-funded psychiatry residency and fellowship positions approved and awarded on or before June 30, 2025, under the state-funded psychiatry residency and fellowship positions in section 135.180, Code 2025, until all residents and fellows have completed or left the state-funded psychiatry residency or fellowship positions.

Sec. 24. TRANSITION — ACCOUNT.

1. The board of regents shall direct the university of Iowa hospitals and clinics to create an account for the deposit of moneys encumbered or obligated relating to residency and fellowship positions funded under the state-funded psychiatry residency and fellowship positions under section 135.180, Code 2025.

2. Notwithstanding section 8.33, any balance in the account created under subsection 1 shall not revert but shall remain available for the duration of all applicable residencies and fellowships. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the account shall be credited to the account.

3. Upon expiration of all residency and fellowship periods and the expenditure of all moneys encumbered under such residencies and fellowships, any unencumbered or unobligated moneys remaining in the account created under subsection 1 are appropriated to the department of health and human services for Medicaid graduate medical education efforts.

Sec. 25. TRANSFER OF MONEYS. Notwithstanding section 8.33 or any other provision to the contrary, any unobligated or unencumbered moneys in the psychiatry residency and fellowship

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1 positions fund created in section 135.180, Code 2025, shall  
2 not revert but are appropriated to the department of health  
3 and human services to fund Medicaid graduate medical education  
4 efforts.

5 Sec. 26. CONTINGENT EFFECTIVE DATE. This division of  
6 this Act takes effect upon the date that the department of  
7 health and human services notifies the general assembly and the  
8 Code editor of the receipt of federal approval for a Medicaid  
9 supplemental enhanced payment for the purposes of maximizing  
10 federal funding opportunities for graduate medical education,  
11 and to increase the number of medical residencies in the state.

12 DIVISION VIII

13 ELIMINATION OF THE HEALTH FACILITIES COUNCIL

14 Sec. 27. Section 10A.711, subsection 5, Code 2025, is  
15 amended by striking the subsection and inserting in lieu  
16 thereof the following:

17 5. "Department" means the department of health and human  
18 services.

19 Sec. 28. Section 10A.713, subsection 4, unnumbered  
20 paragraph 1, Code 2025, is amended to read as follows:

21 ~~A copy of the application shall be sent to the department~~  
22 ~~of health and human services at the time the application is~~  
23 ~~submitted to the department. The department shall not process~~  
24 ~~applications for and the council shall not an intermediate~~  
25 care facility for persons with an intellectual disability, or  
26 consider a new or changed institutional health service for an  
27 intermediate care facility for persons with an intellectual  
28 disability, unless both of the following conditions are met:

29 Sec. 29. Section 10A.714, subsection 1, unnumbered  
30 paragraph 1, Code 2025, is amended to read as follows:

31 In determining whether a certificate of need shall be  
32 issued, the department ~~and council~~ shall consider the  
33 following:

34 Sec. 30. Section 10A.714, subsection 1, paragraph r, Code  
35 2025, is amended to read as follows:

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1 r. The recommendations of staff personnel of the department  
2 assigned to the area of certificate of need, concerning the  
3 application, ~~if requested by the council.~~

4 Sec. 31. Section 10A.714, subsection 2, unnumbered  
5 paragraph 1, Code 2025, is amended to read as follows:

6 In addition to the findings required with respect to any  
7 of the criteria listed in [subsection 1 of this section](#), the  
8 ~~council~~ department shall grant a certificate of need for a new  
9 institutional health service or changed institutional health  
10 service only if ~~it~~ the department finds in writing, on the  
11 basis of data submitted ~~to it by the department~~, that:

12 Sec. 32. Section 10A.716, subsection 3, Code 2025, is  
13 amended to read as follows:

14 3. Each application accepted by the department shall be  
15 formally reviewed ~~for the purpose of furnishing to the council~~  
16 ~~the information necessary to enable it~~ the department to  
17 determine whether or not to grant the certificate of need. A  
18 formal review shall consist, at a minimum, of the following  
19 steps:

20 a. Evaluation of the application against the criteria  
21 specified in [section ~~10A.714~~ 135.63](#).

22 b. A public hearing on the application, to be held prior to  
23 completion of the evaluation required by paragraph "a", ~~shall be~~  
24 ~~conducted by the council.~~

25 Sec. 33. Section 10A.719, Code 2025, is amended to read as  
26 follows:

27 **10A.719 ~~Council~~ Department to make final decision.**

28 1. The department shall complete its formal review of  
29 the application within ninety days after acceptance of the  
30 application, except as otherwise provided by section ~~10A.722~~  
31 [135.71](#), subsection 4. Upon completion of the formal review,  
32 the ~~council~~ department shall approve or deny the application.  
33 The ~~council~~ department shall issue written findings stating the  
34 basis for its decision on the application, ~~and the department~~  
35 shall send copies of the ~~council's~~ decision and the written

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1 findings supporting the decision to the applicant and to any  
2 other person who so requests.

3 2. Failure by the ~~council~~ department to issue a written  
4 decision on an application for a certificate of need within the  
5 time required by **this section** shall constitute denial of and  
6 final administrative action on the application.

7 Sec. 34. Section 10A.720, Code 2025, is amended to read as  
8 follows:

9 **10A.720 Appeal of certificate of need decisions.**

10 The ~~council's~~ department's decision on an application for  
11 certificate of need, when announced pursuant to section ~~10A.719~~  
12 135.68, ~~is shall be~~ a final decision. Any dissatisfied party  
13 who is an affected person with respect to the application,  
14 and who participated or sought unsuccessfully to participate  
15 in the formal review procedure prescribed by section ~~10A.716~~  
16 135.65, may request a rehearing in accordance with **chapter 17A**  
17 and rules of the department. If a rehearing is not requested  
18 or an affected party remains dissatisfied after the request for  
19 rehearing, an appeal may be taken in the manner provided by  
20 chapter 17A. Notwithstanding the Iowa administrative procedure  
21 Act, **chapter 17A**, a request for rehearing is not required,  
22 prior to appeal under **section 17A.19**.

23 Sec. 35. Section 10A.721, Code 2025, is amended to read as  
24 follows:

25 **10A.721 Period for which certificate is valid — extension**  
26 **or revocation.**

27 1. A certificate of need shall be valid for a maximum of  
28 one year from the date of issuance. Upon the expiration of the  
29 certificate, or at any earlier time while the certificate is  
30 valid, the holder ~~thereof~~ of the certificate shall provide the  
31 department ~~such~~ information on the development of the project  
32 covered by the certificate as the department may request.  
33 The ~~council~~ department shall determine at the end of the  
34 certification period whether sufficient progress is being made  
35 on the development of the project. The certificate of need may

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1 be extended by the ~~council~~ department for additional periods  
2 of time as are reasonably necessary to expeditiously complete  
3 the project, but may be revoked by the ~~council~~ department at  
4 the end of the first or any subsequent certification period for  
5 insufficient progress in developing the project.

6 2. Upon expiration of a certificate of need, and prior to  
7 extension ~~thereof~~ of the certificate of need, any affected  
8 person shall have the right to submit to the department  
9 information which may be relevant to the question of granting  
10 an extension. The department may call a public hearing for  
11 this purpose.

12 Sec. 36. Section 10A.722, unnumbered paragraph 1, Code  
13 2025, is amended to read as follows:

14 The department shall adopt, ~~with approval of the council,~~  
15 such administrative rules as are necessary to enable it to  
16 implement this part subchapter. These rules shall include:

17 Sec. 37. Section 10A.723, subsection 2, paragraph a, Code  
18 2025, is amended to read as follows:

19 a. A class I violation is one in which a party offers a  
20 new institutional health service or changed institutional  
21 health service modernization or acquisition without review and  
22 approval by the ~~council~~ department. A party in violation is  
23 subject to a penalty of three hundred dollars for each day of a  
24 class I violation. The department may seek injunctive relief  
25 which shall include restraining the commission or continuance  
26 of an act which would violate the provisions of this paragraph.  
27 Notice and opportunity to be heard shall be provided to a party  
28 pursuant to rule of civil procedure 1.1507 and contested case  
29 procedures in accordance with chapter 17A. The department may  
30 reduce, alter, or waive a penalty upon the party showing good  
31 faith compliance with the department's request to immediately  
32 cease and desist from conduct in violation of this section.

33 Sec. 38. Section 68B.35, subsection 2, paragraph e, Code  
34 2025, is amended to read as follows:

35 e. Members of the state banking council, the Iowa ethics and

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1 campaign disclosure board, the credit union review board, the  
2 economic development authority, the employment appeal board,  
3 the environmental protection commission, ~~the health facilities~~  
4 ~~council~~, the Iowa finance authority, the Iowa public employees'  
5 retirement system investment board, the Iowa lottery commission  
6 created in [section 99G.8](#), the natural resource commission, the  
7 board of parole, the state racing and gaming commission, the  
8 state board of regents, the transportation commission, the  
9 office of consumer advocate, the utilities commission, the Iowa  
10 telecommunications and technology commission, and any full-time  
11 members of other boards and commissions as defined under  
12 section 7E.4 who receive an annual salary for their service  
13 on the board or commission. The Iowa ethics and campaign  
14 disclosure board shall conduct an annual review to determine  
15 if members of any other board, commission, or authority should  
16 file a statement and shall require the filing of a statement  
17 pursuant to rules adopted pursuant to [chapter 17A](#).

18 Sec. 39. Section 97B.1A, subsection 8, paragraph a,  
19 subparagraph (8), Code 2025, is amended to read as follows:  
20 (8) Members of the state transportation commission, and the  
21 board of parole, ~~and the state health facilities council~~.

22 Sec. 40. CODE EDITOR DIRECTIVE.

23 1. The Code editor is directed to make the following  
24 transfers:

- 25 a. Section 10A.711 to section 135.61.
- 26 b. Section 10A.713 to section 135.62.
- 27 c. Section 10A.714 to section 135.63.
- 28 d. Section 10A.715 to section 135.64.
- 29 e. Section 10A.716 to section 135.65.
- 30 f. Section 10A.717 to section 135.66.
- 31 g. Section 10A.718 to section 135.67.
- 32 h. Section 10A.719 to section 135.68.
- 33 i. Section 10A.720 to section 135.69.
- 34 j. Section 10A.721 to section 135.70.
- 35 k. Section 10A.722 to section 135.71.

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1 1. Section 10A.723 to section 135.72.  
2 m. Section 10A.724 to section 135.73.  
3 n. Section 10A.725 to section 135.74.  
4 o. Section 10A.726 to section 135.75.  
5 p. Section 10A.727 to section 135.76.  
6 q. Section 10A.728 to section 135.77.  
7 r. Section 10A.729 to section 135.78.  
8 2. The Code editor is directed to rename and retitle  
9 subchapter VI of chapter 135 as HEALTH FACILITIES and include  
10 sections 135.61 through 135.78.  
11 3. The Code editor shall correct internal references in the  
12 Code and in any enacted legislation as is necessary due to the  
13 enactment of this division.  
14 Sec. 41. REPEAL. Section 10A.712, Code 2025, is repealed.  
15 DIVISION IX  
16 CONFORMING CHANGES — ELIMINATION OF THE HEALTH FACILITIES  
17 COUNCIL  
18 Sec. 42. Section 10A.711, unnumbered paragraph 1, Code  
19 2025, is amended to read as follows:  
20 As used in [this part subchapter](#), unless the context  
21 otherwise requires:  
22 Sec. 43. Section 10A.711, subsection 1, paragraph d, Code  
23 2025, is amended to read as follows:  
24 d. Each institutional health facility or health maintenance  
25 organization which, prior to receipt of the application by the  
26 department, has formally indicated to the department pursuant  
27 to [this part subchapter](#) an intent to furnish in the future  
28 institutional health services similar to the new institutional  
29 health service proposed in the application.  
30 Sec. 44. Section 10A.713, subsection 1, Code 2025, is  
31 amended to read as follows:  
32 1. A new institutional health service or changed  
33 institutional health service shall not be offered or developed  
34 in this state without prior application to the department  
35 for and receipt of a certificate of need, pursuant to this

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1 ~~part~~ subchapter. The application shall be made upon forms  
2 furnished or prescribed by the department and shall contain  
3 such information as the department may require under this ~~part~~  
4 subchapter. The application shall be accompanied by a fee  
5 equivalent to three-tenths of one percent of the anticipated  
6 cost of the project with a minimum fee of six hundred dollars  
7 and a maximum fee of twenty-one thousand dollars. The fee  
8 shall be remitted by the department to the treasurer of  
9 state, who shall place it in the general fund of the state.  
10 If an application is voluntarily withdrawn within thirty  
11 calendar days after submission, seventy-five percent of the  
12 application fee shall be refunded; if the application is  
13 voluntarily withdrawn more than thirty but within sixty days  
14 after submission, fifty percent of the application fee shall  
15 be refunded; if the application is withdrawn voluntarily more  
16 than sixty days after submission, twenty-five percent of  
17 the application fee shall be refunded. Notwithstanding the  
18 required payment of an application fee under [this subsection](#),  
19 an applicant for a new institutional health service or a  
20 changed institutional health service offered or developed by  
21 an intermediate care facility for persons with an intellectual  
22 disability or an intermediate care facility for persons with  
23 mental illness as defined pursuant to [section 135C.1](#) is exempt  
24 from payment of the application fee.

25 Sec. 45. Section 10A.713, subsection 2, unnumbered  
26 paragraph 1, Code 2025, is amended to read as follows:

27 This ~~part~~ subchapter shall not be construed to augment,  
28 limit, contravene, or repeal in any manner any other statute  
29 of this state which may authorize or relate to licensure,  
30 regulation, supervision, or control of, nor to be applicable  
31 to:

32 Sec. 46. Section 10A.713, subsection 2, paragraphs a, f, h,  
33 j, k, m, and n, Code 2025, are amended to read as follows:

34 a. Private offices and private clinics of an individual  
35 physician, dentist, or other practitioner or group of health

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1 care providers, except as provided by section ~~10A.711~~ 135.61,  
2 subsection 17, paragraphs "g", "h", and "m", and section ~~10A.711~~  
3 135.61, subsections 2 and 19.

4 f. A residential care facility, as defined in section  
5 135C.1, including a residential care facility for persons with  
6 an intellectual disability, notwithstanding any provision in  
7 this ~~part~~ subchapter to the contrary.

8 h. (1) The deletion of one or more health services,  
9 previously offered on a regular basis by an institutional  
10 health facility or health maintenance organization,  
11 notwithstanding any provision of this part subchapter to the  
12 contrary, if all of the following conditions exist:

13 (a) The institutional health facility or health maintenance  
14 organization reports to the department the deletion of the  
15 service or services at least thirty days before the deletion on  
16 a form prescribed by the department.

17 (b) The institutional health facility or health maintenance  
18 organization reports the deletion of the service or services on  
19 its next annual report to the department.

20 (2) If these conditions are not met, the institutional  
21 health facility or health maintenance organization is subject  
22 to review as a "new institutional health service" or "changed  
23 institutional health service" under section ~~10A.711~~ 135.61,  
24 subsection 17, paragraph "f", and is subject to sanctions under  
25 section ~~10A.723~~ 135.72.

26 (3) If the institutional health facility or health  
27 maintenance organization reestablishes the deleted service  
28 or services at a later time, review as a "new institutional  
29 health service" or "changed institutional health service" may  
30 be required pursuant to section ~~10A.711~~ 135.61, subsection 17.

31 j. The construction, modification, or replacement of  
32 nonpatient care services, including parking facilities,  
33 heating, ventilation and air conditioning systems, computers,  
34 telephone systems, medical office buildings, and other projects  
35 of a similar nature, notwithstanding any provision in this ~~part~~

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1 subchapter to the contrary.

2 *k.* (1) The redistribution of beds by a hospital within  
3 the acute care category of bed usage, notwithstanding any  
4 provision in this part subchapter to the contrary, if all of  
5 the following conditions exist:

6 (a) The hospital reports to the department the number and  
7 type of beds to be redistributed on a form prescribed by the  
8 department at least thirty days before the redistribution.

9 (b) The hospital reports the new distribution of beds on its  
10 next annual report to the department.

11 (2) If these conditions are not met, the redistribution  
12 of beds by the hospital is subject to review as a new  
13 institutional health service or changed institutional health  
14 service pursuant to section ~~10A.711~~ 135.61, subsection 17,  
15 paragraph "d", and is subject to sanctions under section ~~10A.723~~  
16 135.72.

17 *m.* Hemodialysis services provided by a hospital or  
18 freestanding facility, notwithstanding any provision in this  
19 part subchapter to the contrary.

20 *n.* Hospice services provided by a hospital, notwithstanding  
21 any provision in this part subchapter to the contrary.

22 Sec. 47. Section 10A.713, subsection 2, paragraph e,  
23 subparagraph (2), Code 2025, is amended to read as follows:

24 (2) Acquires major medical equipment as provided by section  
25 ~~10A.711~~ 135.61, subsection 17, paragraphs "i" and "j".

26 Sec. 48. Section 10A.713, subsection 2, paragraph g,  
27 subparagraph (1), unnumbered paragraph 1, Code 2025, is amended  
28 to read as follows:

29 A reduction in bed capacity of an institutional health  
30 facility, notwithstanding any provision in this part subchapter  
31 to the contrary, if all of the following conditions exist:

32 Sec. 49. Section 10A.713, subsection 2, paragraph g,  
33 subparagraph (2), Code 2025, is amended to read as follows:

34 (2) If these conditions are not met, the institutional  
35 health facility is subject to review as a "new institutional

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1 health service" or "changed institutional health service" under  
2 section ~~10A.711~~ 135.61, subsection 17, paragraph "d", and is  
3 subject to sanctions under ~~section 10A.723~~ 135.72. If the  
4 institutional health facility reestablishes the deleted beds at  
5 a later time, review as a "new institutional health service" or  
6 "changed institutional health service" is required pursuant to  
7 section ~~10A.711~~ 135.61, subsection 17, paragraph "d".

8 Sec. 50. Section 10A.713, subsection 2, paragraph 1,  
9 unnumbered paragraph 1, Code 2025, is amended to read as  
10 follows:

11 The replacement or modernization of any institutional  
12 health facility if the replacement or modernization does  
13 not add new health services or additional bed capacity for  
14 existing health services, notwithstanding any provision in this  
15 ~~part subchapter~~ to the contrary. With respect to a nursing  
16 facility, "replacement" means establishing a new facility within  
17 the same county as the prior facility to be closed. With  
18 reference to a hospital, "replacement" means establishing a new  
19 hospital that demonstrates compliance with all of the following  
20 criteria through evidence submitted to the department:

21 Sec. 51. Section 10A.713, subsection 2, paragraph p,  
22 unnumbered paragraph 1, Code 2025, is amended to read as  
23 follows:

24 The conversion of an existing number of beds by an  
25 intermediate care facility for persons with an intellectual  
26 disability to a smaller facility environment, including but not  
27 limited to a community-based environment which does not result  
28 in an increased number of beds, notwithstanding any provision  
29 in this part subchapter to the contrary, including subsection  
30 4, if all of the following conditions exist:

31 Sec. 52. Section 10A.713, subsection 3, Code 2025, is  
32 amended to read as follows:

33 3. This part subchapter shall not be construed to be  
34 applicable to a health care facility operated by and for the  
35 exclusive use of members of a religious order, which does

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1 not admit more than two individuals to the facility from the  
2 general public, and which was in operation prior to July 1,  
3 1986. However, [this part subchapter](#) is applicable to such  
4 a facility if the facility is involved in the offering or  
5 developing of a new or changed institutional health service on  
6 or after July 1, 1986.

7 Sec. 53. Section 10A.714, subsection 3, Code 2025, is  
8 amended to read as follows:

9 3. In the evaluation of applications for certificates  
10 of need submitted by the university of Iowa hospitals and  
11 clinics, the unique features of that institution relating to  
12 statewide tertiary health care, health science education, and  
13 clinical research shall be given due consideration. Further,  
14 in administering [this part subchapter](#), the unique capacity of  
15 university hospitals for the evaluation of technologically  
16 innovative equipment and other new health services shall be  
17 utilized.

18 Sec. 54. Section 10A.715, subsection 2, Code 2025, is  
19 amended to read as follows:

20 2. Upon request of the sponsor of the proposed new or  
21 changed service, the department shall make a preliminary review  
22 of the letter for the purpose of informing the sponsor of  
23 the project of any factors which may appear likely to result  
24 in denial of a certificate of need, based on the criteria  
25 for evaluation of applications in [section ~~10A.714~~ 135.63](#).  
26 A comment by the department under [this section](#) shall not  
27 constitute a final decision.

28 Sec. 55. Section 10A.716, subsection 1, Code 2025, is  
29 amended to read as follows:

30 1. Within fifteen business days after receipt of an  
31 application for a certificate of need, the department shall  
32 examine the application for form and completeness and accept or  
33 reject it. An application shall be rejected only if it fails  
34 to provide all information required by the department pursuant  
35 to [section ~~10A.713~~ 135.62, subsection 1](#). The department shall

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1 promptly return to the applicant any rejected application, with  
2 an explanation of the reasons for its rejection.

3 Sec. 56. Section 10A.717, subsection 1, unnumbered  
4 paragraph 1, Code 2025, is amended to read as follows:

5 The department may waive the letter of intent procedures  
6 prescribed by [section ~~10A.715~~ 135.64](#) and substitute a summary  
7 review procedure, which shall be established by rules of the  
8 department, when it accepts an application for a certificate  
9 of need for a project which meets any of the criteria in  
10 paragraphs "a" through "e":

11 Sec. 57. Section 10A.722, subsections 2, 3, and 4, Code  
12 2025, are amended to read as follows:

13 2. Uniform procedures for variations in application of  
14 criteria specified by [section ~~10A.714~~ 135.63](#) for use in formal  
15 review of applications for certificates of need, when such  
16 variations are appropriate to the purpose of a particular  
17 review or to the type of institutional health service proposed  
18 in the application being reviewed.

19 3. Uniform procedures for summary reviews conducted under  
20 [section ~~10A.717~~ 135.66](#).

21 4. Criteria for determining when it is not feasible to  
22 complete formal review of an application for a certificate  
23 of need within the time limits specified in [section ~~10A.719~~](#)  
24 [135.68](#). The rules adopted under [this subsection](#) shall include  
25 criteria for determining whether an application proposes  
26 introduction of technologically innovative equipment, and if  
27 so, procedures to be followed in reviewing the application.  
28 However, a rule adopted under [this subsection](#) shall not permit  
29 a deferral of more than sixty days beyond the time when a  
30 decision is required under [section ~~10A.719~~ 135.68](#), unless both  
31 the applicant and the department agree to a longer deferment.

32 Sec. 58. Section 10A.723, subsections 1 and 3, Code 2025,  
33 are amended to read as follows:

34 1. Any party constructing a new institutional health  
35 facility or an addition to or renovation of an existing

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1 institutional health facility without first obtaining a  
2 certificate of need or, in the case of a mobile health  
3 service, ascertaining that the mobile health service has  
4 received certificate of need approval, as required by this ~~part~~  
5 subchapter, shall be denied licensure or change of licensure by  
6 the appropriate responsible licensing agency of this state.

7 3. Notwithstanding any other sanction imposed pursuant  
8 to this section, a party offering or developing any new  
9 institutional health service or changed institutional health  
10 service without first obtaining a certificate of need as  
11 required by this ~~part~~ subchapter, may be temporarily or  
12 permanently restrained from doing so by any court of competent  
13 jurisdiction in any action brought by the state, any of its  
14 political subdivisions, or any other interested person.

15 Sec. 59. Section 10A.723, subsection 2, unnumbered  
16 paragraph 1, Code 2025, is amended to read as follows:

17 A party violating this ~~part~~ subchapter shall be subject  
18 to penalties in accordance with this section. The  
19 department shall adopt rules setting forth the violations by  
20 classification, the criteria for the classification of any  
21 violation not listed, and procedures for implementing this  
22 subsection.

23 Sec. 60. Section 10A.724, subsection 3, Code 2025, is  
24 amended to read as follows:

25 3. The department shall, where appropriate, provide  
26 for modification, consistent with the purposes of this ~~part~~  
27 subchapter, of reporting requirements to correctly reflect the  
28 differences among hospitals and among health care facilities  
29 referred to in subsection 2, and to avoid otherwise unduly  
30 burdensome costs in meeting the requirements of uniform methods  
31 of financial reporting.

32 Sec. 61. Section 10A.725, subsection 2, Code 2025, is  
33 amended to read as follows:

34 2. Where more than one licensed hospital or health  
35 care facility is operated by the reporting organization,

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1 the information required by [this section](#) shall be reported  
2 separately for each licensed hospital or health care facility.  
3 The department shall require preparation of specified financial  
4 reports by a certified public accountant, and may require  
5 attestation of responsible officials of the reporting hospital  
6 or health care facility that the reports submitted are to the  
7 best of their knowledge and belief prepared in accordance with  
8 the prescribed methods of reporting. The department shall  
9 have the right to inspect the books, audits and records of any  
10 hospital or health care facility as reasonably necessary to  
11 verify reports submitted pursuant to [this ~~part~~ subchapter](#).

12 Sec. 62. Section 10A.726, subsection 1, Code 2025, is  
13 amended to read as follows:

14 1. The department shall from time to time undertake analyses  
15 and studies relating to hospital and health care facility  
16 costs and to the financial status of hospitals or health care  
17 facilities, or both, which are subject to the provisions of  
18 [this ~~part~~ subchapter](#). It shall further require the filing  
19 of information concerning the total financial needs of each  
20 individual hospital or health care facility and the resources  
21 currently or prospectively available to meet these needs,  
22 including the effect of proposals made by health systems  
23 agencies. The department shall also prepare and file such  
24 summaries and compilations or other supplementary reports based  
25 on the information filed with it as will, in its judgment,  
26 advance the purposes of [this ~~part~~ subchapter](#).

27 Sec. 63. Section 10A.727, Code 2025, is amended to read as  
28 follows:

29 **10A.727 Data to be compiled.**

30 The department shall compile all relevant financial and  
31 utilization data in order to have available the statistical  
32 information necessary to properly monitor hospital and health  
33 care facility charges and costs. Such data shall include  
34 necessary operating expenses, appropriate expenses incurred for  
35 rendering services to patients who cannot or do not pay, all

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1 properly incurred interest charges, and reasonable depreciation  
2 expenses based on the expected useful life of the property  
3 and equipment involved. The department shall also obtain  
4 from each hospital and health care facility a current rate  
5 schedule as well as any subsequent amendments or modifications  
6 of that schedule as it may require. In collection of the data  
7 required by [this section](#) and sections ~~10A.724~~ [135.73](#) through  
8 ~~10A.726~~ [135.75](#), the department and other state agencies shall  
9 coordinate their reporting requirements.

10 Sec. 64. Section 10A.728, Code 2025, is amended to read as  
11 follows:

12 **10A.728 Civil penalty.**

13 Any hospital or health care facility which fails to file  
14 with the department the financial reports required by sections  
15 ~~10A.724~~ [135.73](#) through ~~10A.727~~ [135.76](#) is subject to a civil  
16 penalty of not to exceed five hundred dollars for each offense.

17 Sec. 65. Section 10A.729, Code 2025, is amended to read as  
18 follows:

19 **10A.729 Contracts for assistance with analyses, studies, and**  
20 **data.**

21 In furtherance of the department's responsibilities under  
22 sections ~~10A.726~~ [135.75](#) and ~~10A.727~~ [135.76](#), the director may  
23 contract with the Iowa hospital association and third-party  
24 payers, the Iowa health care facilities association and  
25 third-party payers, or leading age Iowa and third-party  
26 payers for the establishment of pilot programs dealing with  
27 prospective rate review in hospitals or health care facilities,  
28 or both. Such contract shall be subject to the approval of  
29 the executive council and shall provide for an equitable  
30 representation of health care providers, third-party payers,  
31 and health care consumers in the determination of criteria  
32 for rate review. No third-party payer shall be excluded from  
33 positive financial incentives based upon volume of gross  
34 patient revenues. No state or federal funds appropriated or  
35 available to the department shall be used for any such pilot

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1 program.

2 Sec. 66. Section 135.131, subsection 1, paragraph a, Code  
3 2025, is amended to read as follows:

4 a. "Birth center" means birth center as defined in section  
5 ~~10A.711~~ 135.61.

6 Sec. 67. Section 135B.5A, Code 2025, is amended to read as  
7 follows:

8 **135B.5A Conversion relative to certain hospitals.**

9 1. A conversion of a long-term acute care hospital,  
10 rehabilitation hospital, or psychiatric hospital as defined by  
11 federal regulations to a general hospital or to a specialty  
12 hospital of a different type is a permanent change in bed  
13 capacity and shall require a certificate of need pursuant to  
14 section ~~10A.713~~ 135.62.

15 2. A conversion of a critical access hospital or general  
16 hospital to a rural emergency hospital shall not require a  
17 certificate of need pursuant to section 10A.713 135.62.

18 3. Any change of a rural emergency hospital in licensure,  
19 organizational structure, or type of institutional health  
20 facility shall require a certificate of need pursuant to  
21 section ~~10A.713~~ 135.62.

22 Sec. 68. Section 135C.2, subsection 5, unnumbered paragraph  
23 1, Code 2025, is amended to read as follows:

24 The department shall establish a special classification  
25 within the residential care facility category in order to  
26 foster the development of residential care facilities which  
27 serve persons with an intellectual disability, chronic mental  
28 illness, a developmental disability, or brain injury, as  
29 described under section 225C.26, and which contain five or  
30 fewer residents. A facility within the special classification  
31 established pursuant to this subsection is exempt from the  
32 requirements of section 10A.713 135.62. The department  
33 shall adopt rules which are consistent with rules previously  
34 developed for the waiver demonstration project pursuant to  
35 1986 Iowa Acts, ch. 1246, §206, and which include all of the

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1 following provisions:

2 Sec. 69. Section 135P.1, subsection 3, Code 2025, is amended  
3 to read as follows:

4 3. "*Health facility*" means an institutional health facility  
5 as defined in [section ~~10A.711~~ 135.61](#), a hospice licensed under  
6 chapter 135J, a home health agency as defined in section  
7 144D.1, an assisted living program certified under chapter  
8 231C, a clinic, a community health center, or the university  
9 of Iowa hospitals and clinics, and includes any corporation,  
10 professional corporation, partnership, limited liability  
11 company, limited liability partnership, or other entity  
12 comprised of such health facilities.

13 Sec. 70. Section 231C.3, subsection 2, Code 2025, is amended  
14 to read as follows:

15 2. Each assisted living program operating in this state  
16 shall be certified by the department. If an assisted living  
17 program is voluntarily accredited by a recognized accrediting  
18 entity, the department shall certify the assisted living  
19 program on the basis of the voluntary accreditation. An  
20 assisted living program that is certified by the department on  
21 the basis of voluntary accreditation shall not be subject to  
22 payment of the certification fee prescribed in [section 231C.18](#),  
23 but shall be subject to an administrative fee as prescribed by  
24 rule. An assisted living program certified under [this section](#)  
25 is exempt from the requirements of [section ~~10A.713~~ 135.62](#)  
26 relating to certificate of need requirements.

27 Sec. 71. Section 505.27, subsection 5, paragraph a, Code  
28 2025, is amended to read as follows:

29 a. "*Health care provider*" means the same as defined in  
30 [section ~~10A.711~~ 135.61](#), a hospital licensed pursuant to chapter  
31 135B, or a health care facility licensed pursuant to chapter  
32 135C.

33 Sec. 72. Section 708.3A, subsection 5, paragraph d, Code  
34 2025, is amended to read as follows:

35 d. "*Health care provider*" means an emergency medical care

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1 provider as defined in [chapter 147A](#) or a person licensed  
2 or registered under [chapter 148](#), [148C](#), [148D](#), or [152](#) who is  
3 providing or who is attempting to provide emergency medical  
4 services, as defined in [section 147A.1](#), or who is providing  
5 or who is attempting to provide health services as defined in  
6 ~~section 10A.711~~ [135.61](#) in a hospital. A person who commits an  
7 assault under [this section](#) against a health care provider in  
8 a hospital, or at the scene or during out-of-hospital patient  
9 transportation in an ambulance, is presumed to know that the  
10 person against whom the assault is committed is a health care  
11 provider.

12 DIVISION X

13 IOWA HEALTH INFORMATION NETWORK — EXCHANGE ADVISORY COMMITTEE  
14 CREATED AND BOARD OF DIRECTORS ELIMINATED

15 Sec. 73. Section 135D.2, subsection 1, Code 2025, is amended  
16 by striking the subsection.

17 Sec. 74. Section 135D.2, subsection 4, Code 2025, is amended  
18 to read as follows:

19 4. "*Designated entity*" means the ~~nonprofit~~ corporation  
20 ~~designated~~ selected by the department through a competitive  
21 process as the entity responsible for administering ~~and~~  
22 ~~governing~~ the Iowa health information network.

23 Sec. 75. Section 135D.2, Code 2025, is amended by adding the  
24 following new subsections:

25 NEW SUBSECTION. 4A. "*Director*" means the director of health  
26 and human services.

27 NEW SUBSECTION. 5A. "*Exchange advisory committee*" or  
28 "*advisory committee*" means the exchange advisory committee  
29 appointed by the director pursuant to section 135D.6.

30 Sec. 76. Section 135D.4, subsection 2, paragraph a, Code  
31 2025, is amended to read as follows:

32 a. The network, through the designated entity complying with  
33 [chapter 490](#), [496C](#), and [504](#) and reporting as required under this  
34 chapter, operates in an entrepreneurial and businesslike manner  
35 in which it is accountable to all participants utilizing the

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1 network's products and services.

2 Sec. 77. Section 135D.5, subsection 1, Code 2025, is amended  
3 to read as follows:

4 1. The Iowa health information network shall be  
5 administered ~~and governed~~ by a designated entity selected by  
6 the department through a competitive process. The designated  
7 entity shall be established as a ~~nonprofit~~ corporation  
8 organized under chapter 490, 496C, or 504. ~~Unless otherwise~~  
9 ~~provided in this chapter, the corporation is subject to the~~  
10 ~~provisions of chapter 504~~. The designated entity shall be  
11 established for the purpose of administering ~~and governing~~ the  
12 statewide Iowa health information network. Notwithstanding any  
13 provision of law to the contrary, the department shall conduct  
14 a competitive process to select a designated entity at least  
15 every eight years.

16 Sec. 78. Section 135D.5, subsection 3, paragraph d, Code  
17 2025, is amended to read as follows:

18 *d.* The employment of personnel necessary for the efficient  
19 performance of the duties assigned to the designated entity.  
20 All such personnel shall be considered employees of a private,  
21 ~~nonprofit~~ corporation and shall be exempt from the personnel  
22 requirements imposed on state agencies, departments, and  
23 administrative units.

24 Sec. 79. Section 135D.6, Code 2025, is amended by striking  
25 the section and inserting in lieu thereof the following:

26 **135D.6 Exchange advisory committee.**

27 1. The director shall appoint an exchange advisory  
28 committee.

29 2. The advisory committee shall include at least one  
30 member who is a consumer of health services, and a majority  
31 of the advisory committee members shall be representative of  
32 participants in the Iowa health information network.

33 3. The exchange advisory committee shall do all of the  
34 following:

35 *a.* Advise the department regarding the needs of participants

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1 and nonparticipants relating to the exchange of health  
2 information.

3 *b.* Ensure the department develops, and the designated  
4 entity complies with, the standards, requirements, policies,  
5 and procedures for access to, use, secondary use, privacy,  
6 and security of health information exchanged through the Iowa  
7 health information network, consistent with applicable federal  
8 and state standards and laws.

9 *c.* Direct a public and private collaborative effort to  
10 promote the adoption and use of health information technology  
11 in the state to improve health care quality, increase patient  
12 safety, reduce health care costs, enhance public health,  
13 and empower individuals and health care professionals with  
14 comprehensive, real-time medical information to provide  
15 continuity of care and make the best health care decisions.

16 *d.* Educate the public and the health care sector about  
17 the value of health information technology in improving  
18 patient care, and methods to promote increased support and  
19 collaboration of state and local public health agencies,  
20 health care professionals, and consumers in health information  
21 technology initiatives.

22 *e.* Work to align interstate and intrastate interoperability  
23 standards in accordance with national health information  
24 exchange standards.

25 *f.* Provide an annual budget and fiscal report for the Iowa  
26 health information network to the governor, the department  
27 of health and human services, the department of management,  
28 and the general assembly. The report shall also include  
29 information about the services provided through the network and  
30 information on the participant usage of the network.

31 Sec. 80. Section 135D.7, subsection 1, unnumbered paragraph  
32 1, Code 2025, is amended to read as follows:

33 The ~~board~~ designated entity shall implement  
34 industry-accepted security standards, policies, and procedures  
35 to protect the transmission and receipt of protected health

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1 information exchanged through the Iowa health information  
2 network, which shall, at a minimum, comply with HIPAA and shall  
3 include all of the following:

4 Sec. 81. Section 135D.7, subsection 1, paragraph c,  
5 subparagraph (2), Code 2025, is amended to read as follows:

6 (2) The ~~board~~ designated entity shall provide the means  
7 and process by which a patient may decline participation.  
8 The means and process utilized shall minimize the burden on  
9 patients and health care professionals.

10 Sec. 82. Section 135D.7, subsection 3, Code 2025, is amended  
11 to read as follows:

12 3. A participant exchanging health information and data  
13 through the Iowa health information network shall grant to  
14 other participants of the network a nonexclusive license to  
15 retrieve and use that information in accordance with applicable  
16 state and federal laws, and the policies and standards  
17 established by the ~~board~~ department.

18 Sec. 83. Section 135D.7, subsection 6, paragraph b, Code  
19 2025, is amended to read as follows:

20 b. Any health information in the possession of the  
21 ~~board~~ designated entity due to ~~its~~ the designated entity's  
22 administration of the Iowa health information network.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with  
25 the explanation's substance by the members of the general assembly.

26 This bill relates to health care including a funding model  
27 for Iowa's rural health system; health care-related award,  
28 grant, residency, and fellowship programs; establishment of  
29 a health care incentive program; Medicaid graduate medical  
30 education; the health facilities council; and the Iowa health  
31 information network.

32 DIVISION I. This division requires the department of health  
33 and human services (HHS) to submit to the centers for Medicare  
34 and Medicaid services of the United States department of health  
35 and human services (CMS) a request for approval for a health

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1 care hub-and-spoke partnership funding model for the purpose  
2 of improving Iowa's rural health system. The division takes  
3 effect upon enactment.

4 DIVISION II. This division eliminates the primary care  
5 recruitment and retention endeavor (PRIMECARRE) and makes  
6 conforming changes. The bill requires HHS to coordinate with  
7 the college student aid commission (commission) to administer  
8 the health care professional incentive program established in  
9 division IV of the bill. PRIMECARRE includes the health care  
10 workforce and community support grant program and the primary  
11 care provider loan repayment program to recruit and retain  
12 primary care providers in rural communities.

13 Current law requires HHS to encourage local boards to adopt  
14 a plan including that health facilities may seek technical  
15 assistance or apply for matching grants for plan development.  
16 The bill removes the instruction for health facilities to apply  
17 for matching grants for plan development.

18 HHS is required to make loan repayments pursuant to a loan  
19 repayment program contract including a United States department  
20 of health and human services state loan repayment program  
21 contract executed on or before December 31, 2025, under the  
22 primary care provider loan repayment program if a recipient  
23 is in compliance with the loan repayment program contract.  
24 HHS shall create an account for the deposit of encumbered or  
25 obligated moneys relating to the primary care provider loan  
26 repayment program as described in the bill.

27 DIVISION III. This division eliminates certain health  
28 care-related programs.

29 The rural Iowa primary care loan repayment program (Code  
30 section 256.221) is eliminated. The program provides loan  
31 repayment for medical students who agree to practice as  
32 physicians in certain service areas.

33 The health care professional recruitment program (Code  
34 section 256.223) is also eliminated. The program provides loan  
35 repayment for students who graduate from a certain institution

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1 and become licensed as a health care professional.

2 In addition, the health care award program (Code section  
3 256.224) is eliminated. The program provides financial awards  
4 to registered nurses, advanced registered nurse practitioners,  
5 physician assistants, and nurse educators who practice in  
6 certain areas or teach in this state.

7 Finally, the mental health professional loan repayment  
8 program (Code section 256.225) is eliminated. The program  
9 provides loan repayment for mental health professionals who  
10 agree to practice in certain practice areas.

11 For all of the eliminated programs, the college student aid  
12 commission (commission) is required to make loan repayments  
13 and provide annual awards pursuant to program agreements and  
14 contracts entered into on or before June 30, 2025, as detailed  
15 in the bill. All unencumbered and unobligated moneys in the  
16 eliminated programs' funds shall be transferred to the health  
17 care professional incentive program fund (program fund) created  
18 in division IV.

19 The commission shall create accounts for the deposit of  
20 encumbered and obligated moneys for each eliminated program as  
21 detailed in the division. Upon the expiration of all program  
22 agreement, contract, and award disbursement periods, any  
23 unencumbered and unobligated moneys in the accounts shall be  
24 deposited in the program fund created in division IV.

25 DIVISION IV. This division establishes a health care  
26 professional incentive program (incentive program) to recruit  
27 and retain eligible health care professionals (professionals)  
28 in eligible health care professions (profession) in certain  
29 areas of the state by offering an award of a loan repayment  
30 or an income bonus. The commission, in coordination with  
31 HHS, shall administer the incentive program as detailed in  
32 the division. A professional is ineligible for the incentive  
33 program if the professional is currently participating in or  
34 has participated in certain health care-related award programs  
35 as identified in divisions II and III. The commission shall

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1 give priority to an applicant fulfilling a full-time employment  
2 obligation. The incentive program award shall be distributed  
3 annually by the commission as detailed in the division. At  
4 least every five years, the commission, in consultation with  
5 HHS, shall establish a list of professions, and the aggregate  
6 award amounts, not to exceed \$200,000, for each profession.

7 A program fund is created and moneys in the program fund are  
8 appropriated to the commission to be used for the incentive  
9 program. The moneys deposited in the program fund shall not  
10 revert and shall remain in the program fund at the end of the  
11 fiscal year. The commission may use the interest and earnings  
12 on the moneys in the fund for administrative costs. All moneys  
13 received by HHS or the commission from the health care-related  
14 programs eliminated in divisions II and III shall be deposited  
15 into the program fund. The commission, in coordination with  
16 HHS, shall adopt rules to administer the incentive program.  
17 The division takes effect upon enactment.

18 DIVISION V. This division requires HHS to submit to CMS  
19 a request for approval for a Medicaid supplemental enhanced  
20 payment for the purposes of maximizing federal funding  
21 opportunities for graduate medical education, and to increase  
22 the number of medical residencies in the state. Upon receipt  
23 of federal approval, HHS shall notify the general assembly and  
24 the Code editor.

25 The division takes effect upon enactment.

26 DIVISION VI. This division eliminates certain health  
27 care-related grant, residency, and fellowship programs.

28 Current law provides that the fulfilling Iowa's need for  
29 dentists matching grant program may receive moneys through the  
30 health care workforce shortage fund or the fulfilling Iowa's  
31 need for dentists matching grant program account (Code section  
32 135.175). The division eliminates the fund and the account.

33 The health care workforce support initiative (Code section  
34 135.175) is eliminated. The initiative provides for the  
35 coordination and support of various efforts to address the

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1 health care workforce shortage in the state.

2 Additionally, the medical residency training state matching  
3 grants program (Code section 135.176) is eliminated. The  
4 program provides matching state funding to sponsors of  
5 accredited graduate medical education residency programs in  
6 the state to establish, expand, or support medical residency  
7 training programs.

8 The nurse residency state matching grants program (Code  
9 section 135.178) is also eliminated. The program provides  
10 matching state funding to sponsors of nurse residency programs  
11 in the state to establish, expand, or support nurse residency  
12 programs.

13 Moreover, the state-funded family medicine obstetrics  
14 fellowship program (Code section 135.193) is eliminated. The  
15 program provides funding for fellowships to increase access  
16 to family medicine obstetrics practitioners in rural and  
17 underserved areas of the state.

18 For all of the programs eliminated in the division, HHS is  
19 required to provide matching state funding and fund residency  
20 and fellowship positions awarded on or before June 30, 2025, as  
21 detailed in the bill. All unencumbered and unobligated moneys  
22 related to the programs eliminated in the division shall be  
23 transferred to HHS to fund Medicaid graduate medical education  
24 efforts.

25 HHS shall create accounts for the deposit of encumbered and  
26 obligated moneys for each eliminated program as detailed in the  
27 division. Upon the expiration of all grant, residency, and  
28 fellowship periods, any unencumbered and unobligated moneys in  
29 the account shall be appropriated to HHS for Medicaid graduate  
30 medical education efforts.

31 The division takes effect upon the date that HHS notifies  
32 the general assembly and the Code editor of the receipt of  
33 federal approval for a Medicaid supplemental enhanced payment  
34 for the purposes of maximizing federal funding opportunities  
35 for graduate medical education, and to increase the number of

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1 medical residencies in the state.

2     DIVISION VII. This division eliminates the state-funded  
3 psychiatry residency and fellowship positions (positions)  
4 (Code section 135.180) administered by the university of  
5 Iowa hospitals and clinics (U of I). The positions provide  
6 financial support for up to seven residents and up to two  
7 fellows annually. The board of regents (regents) shall direct  
8 the U of I to distribute moneys for positions approved and  
9 awarded on or before June 30, 2025, until all residents and  
10 fellows have completed or left the positions. The regents must  
11 also direct the U of I to create an account for the deposit  
12 of moneys encumbered and obligated relating to the positions.  
13 Upon the expiration of all residency and fellowship periods,  
14 any unencumbered and unobligated moneys in the account shall  
15 be appropriated to HHS for Medicaid graduate medical education  
16 efforts. Any unobligated or unencumbered moneys in the  
17 psychiatry residency and fellowship positions fund are also  
18 appropriated to HHS to fund Medicaid graduate medical education  
19 efforts.

20     The division takes effect upon the date that HHS notifies  
21 the general assembly and the Code editor of the receipt of  
22 federal approval for a Medicaid supplemental enhanced payment  
23 for the purposes of maximizing federal funding opportunities  
24 for graduate medical education, and to increase the number of  
25 medical residencies in the state.

26     DIVISION VIII. This division eliminates the health  
27 facilities council, and transfers the council's duties to HHS.

28     DIVISION IX. This division makes conforming changes to the  
29 Code related to the elimination of health facilities council  
30 and the transfer of the applicable Code sections.

31     DIVISION X. This division eliminates the board of  
32 directors (board) that governs and administers the Iowa  
33 health information network (network) and transfers the board's  
34 administrative duties to the designated entity. Current law  
35 requires the designated entity to be a nonprofit corporation.

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1 The bill eliminates the requirement that the corporation be  
2 nonprofit. The division creates an exchange advisory committee  
3 (committee), appointed by the director of HHS, to govern the  
4 network and the designated entity. The division requires  
5 HHS to conduct a competitive process every eight years to  
6 select a designated entity. Current law prohibits a single  
7 industry from being disproportionately represented as voting  
8 members of the board, and requires the director of HHS and the  
9 director of the Medicaid program or the directors' designees  
10 to act as voting members. The commissioner of insurance is  
11 required to serve on the board as a nonvoting member, and  
12 individuals serving in a nonvoting capacity on the board are  
13 not included in the total number of authorized members on  
14 the board. The division strikes these member requirements.  
15 Current law requires the board to ensure the designated entity  
16 enters into contracts with each state agency necessary for  
17 state reporting requirements, and to develop, implement, and  
18 enforce a single patient identifier or alternative mechanism to  
19 share secure patient information that is utilized by all health  
20 care professionals. The division eliminates these duties for  
21 the committee. The division requires the committee to advise  
22 HHS regarding the needs relating to the exchange of health  
23 information, and to ensure HHS develops, and the designated  
24 entity complies with, the standards, requirements, policies,  
25 and procedures related to the network.

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**Senate Study Bill 1216 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED GOVERNOR BUDGET  
BILL)

**A BILL FOR**

1 An Act appropriating federal moneys made available from federal  
2 block grants and other nonstate sources, allocating portions  
3 of federal block grants, and providing procedures if  
4 federal moneys or federal block grants are more or less than  
5 anticipated.

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

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1 Section 1. SUBSTANCE ABUSE APPROPRIATIONS.

2 1. a. There is appropriated from the fund created pursuant  
3 to [section 8.41](#) to the department of health and human services  
4 for the following federal fiscal years beginning October 1, and  
5 ending September 30, the following amounts:

6 FFY 2025-2026:..... \$ 14,116,120

7 FFY 2026-2027:..... \$ 14,116,120

8 b. The appropriations made in this subsection are in the  
9 amounts anticipated to be received from the federal government  
10 for the designated federal fiscal years under 42 U.S.C. ch.  
11 6A, subch. XVII, part B, subpart ii, which provides for the  
12 prevention and treatment of substance abuse block grant.

13 The department shall expend the moneys appropriated in this  
14 subsection as provided in the federal law making the moneys  
15 available and in conformance with [chapter 17A](#).

16 c. Of the moneys appropriated for each federal fiscal year  
17 in this subsection, an amount not exceeding 5 percent shall be  
18 used by the department for administrative expenses.

19 d. (1) For the state fiscal year beginning July 1, 2025,  
20 the department shall expend no less than an amount equal to  
21 the amount expended for treatment services in the state fiscal  
22 year beginning July 1, 2024, for pregnant women and women with  
23 dependent children.

24 (2) For the state fiscal year beginning July 1, 2026, the  
25 department shall expend no less than an amount equal to the  
26 amount expended for treatment services in the state fiscal  
27 year beginning July 1, 2025, for pregnant women and women with  
28 dependent children.

29 2. At least 20 percent of the moneys remaining from the  
30 appropriation made in subsection 1 for each federal fiscal year  
31 shall be allocated for prevention programs.

32 3. In implementing the federal prevention and treatment  
33 of substance abuse block grant under 42 U.S.C. ch. 6A, subch.  
34 XVII, and any other applicable provisions of the federal Public  
35 Health Service Act under 42 U.S.C. ch. 6A, the department shall

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1 apply the provisions of Pub. L. No. 106-310, §3305, as codified  
2 in 42 U.S.C. §300x-65, relating to services under such federal  
3 law being provided by religious and other nongovernmental  
4 organizations.

5 Sec. 2. COMMUNITY MENTAL HEALTH SERVICES APPROPRIATIONS.

6 1. a. There is appropriated from the fund created pursuant  
7 to [section 8.41](#) to the department of health and human services  
8 for the following federal fiscal years beginning October 1, and  
9 ending September 30, the following amounts:

10 FFY 2025-2026:..... \$ 7,754,083  
11 FFY 2026-2027:..... \$ 7,754,083

12 b. The appropriations made in this subsection are in the  
13 amounts anticipated to be received from the federal government  
14 for the designated federal fiscal years under 42 U.S.C. ch.  
15 6A, subch. XVII, part B, subpart i, which provides for the  
16 community mental health services block grant. The department  
17 shall expend the moneys appropriated in this subsection as  
18 provided in the federal law making the moneys available and in  
19 conformance with [chapter 17A](#).

20 c. The department shall allocate not less than 95 percent  
21 of the amount of the block grant each federal fiscal year for  
22 eligible community mental health services for carrying out  
23 the plan submitted to and approved by the federal substance  
24 abuse and mental health services administration or required  
25 by the federal substance abuse and mental health services  
26 administration for the fiscal year involved.

27 2. An amount not exceeding 5 percent of the moneys  
28 appropriated in subsection 1 for each federal fiscal year shall  
29 be used by the department of health and human services for  
30 administrative expenses. From the moneys set aside by this  
31 subsection for administrative expenses, the department shall  
32 pay to the auditor of state an amount sufficient to pay the  
33 cost of auditing the use and administration of the state's  
34 portion of the moneys appropriated in subsection 1. The  
35 auditor of state shall bill the department for the costs of the

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1 audits.

2 Sec. 3. MATERNAL AND CHILD HEALTH SERVICES APPROPRIATIONS.

3 1. a. There is appropriated from the fund created pursuant  
4 to section 8.41 to the department of health and human services  
5 for the following federal fiscal years beginning October 1, and  
6 ending September 30, the following amounts:

7 FFY 2025-2026:..... \$ 6,775,530  
8 FFY 2026-2027:..... \$ 6,775,530

9 b. The appropriations made in this subsection are in the  
10 amounts anticipated to be received from the federal government  
11 for the designated federal fiscal years under 42 U.S.C. ch.  
12 7, subch. V, which provides for the maternal and child health  
13 services block grant. The department shall expend the moneys  
14 appropriated in this subsection as provided in the federal law  
15 making the moneys available and in conformance with chapter  
16 17A.

17 c. Moneys appropriated in this subsection shall not be used  
18 by the university of Iowa hospitals and clinics for indirect  
19 costs.

20 2. An amount not exceeding 10 percent of the moneys  
21 appropriated in subsection 1 for each federal fiscal year shall  
22 be used by the department of health and human services for  
23 administrative expenses.

24 3. The department of health and human services, department  
25 of education, and the university of Iowa's mobile and regional  
26 child health specialty clinics shall continue to pursue to the  
27 maximum extent feasible the coordination and integration of  
28 services to women and children.

29 4. a. Sixty-three percent of the amount remaining after the  
30 allocation made in subsection 2 for each federal fiscal year  
31 shall be allocated to supplement appropriations for maternal  
32 and child health programs within the department of health and  
33 human services. Of these moneys, the following amounts shall  
34 be set aside for the statewide perinatal care program for the  
35 following federal fiscal years:

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1 FFY 2025-2026:..... \$ 300,291  
2 FFY 2026-2027:..... \$ 300,291  
3 b. Thirty-seven percent of the amount remaining after  
4 the allocation made in subsection 2 for each federal fiscal  
5 year shall be allocated to the university of Iowa hospitals  
6 and clinics under the control of the state board of regents  
7 for mobile and regional child health specialty clinics. The  
8 university of Iowa hospitals and clinics shall not receive an  
9 allocation for indirect costs from the moneys for this program.  
10 Priority shall be given to establishment and maintenance of a  
11 statewide system of mobile and regional child health specialty  
12 clinics.

13 5. The department of health and human services shall  
14 administer the statewide maternal and child health program  
15 and the disabled children's program by conducting mobile and  
16 regional child health specialty clinics and conducting other  
17 activities to improve the health of low-income women and  
18 children and to promote the welfare of children with actual  
19 or potential handicapping conditions and chronic illnesses  
20 in accordance with the requirements of Tit. V of the federal  
21 Social Security Act.

22 Sec. 4. PREVENTIVE HEALTH AND HEALTH SERVICES  
23 APPROPRIATIONS.

24 1. a. There is appropriated from the fund created pursuant  
25 to [section 8.41](#) to the department of health and human services  
26 for the following federal fiscal years beginning October 1, and  
27 ending September 30, the following amounts:

28 FFY 2025-2026:..... \$ 1,955,591  
29 FFY 2026-2027:..... \$ 1,955,591

30 b. The appropriations made in this subsection are in the  
31 amounts anticipated to be received from the federal government  
32 for the designated federal fiscal years under 42 U.S.C. ch. 6A,  
33 subch. XVII, part A, which provides for the preventive health  
34 and health services block grant. The department shall expend  
35 the moneys appropriated in this subsection as provided in the

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1 federal law making the moneys available and in conformance with  
2 chapter 17A.

3 2. Of the moneys appropriated in subsection 1 for each  
4 federal fiscal year, an amount not exceeding 10 percent shall  
5 be used by the department for administrative expenses.

6 3. Of the moneys appropriated in subsection 1 for each  
7 federal fiscal year, the specific amount of moneys stipulated  
8 by the notice of the block grant award shall be allocated  
9 for services to victims of sex offenses and for sex offense  
10 prevention.

11 4. After deducting the moneys allocated in subsections 2 and  
12 3, the remaining moneys appropriated in subsection 1 for each  
13 federal fiscal year may be used by the department for healthy  
14 people 2030 and Iowa's health improvement plan 2023-2027  
15 program objectives, preventive health advisory committee, and  
16 risk reduction services, including nutrition programs, health  
17 incentive programs, chronic disease services, emergency medical  
18 services, monitoring of the fluoridation program and start-up  
19 fluoridation grants, and acquired immune deficiency syndrome  
20 services. The moneys specified in this subsection shall not be  
21 used by the university of Iowa hospitals and clinics or by the  
22 state hygienic laboratory for the funding of indirect costs.

23 Sec. 5. RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE  
24 PRISONERS FORMULA GRANT PROGRAM APPROPRIATIONS. There is  
25 appropriated from the fund created pursuant to [section 8.41](#) to  
26 the office of drug control policy of the department of public  
27 safety for the following federal fiscal years beginning October  
28 1, and ending September 30, the following amounts:

29 FFY 2025-2026:.....	\$	422,329
30 FFY 2026-2027:.....	\$	307,388

31 The appropriations made in this section are the amounts  
32 anticipated to be received from the federal government for the  
33 designated federal fiscal years under 42 U.S.C. ch. 46, subch.  
34 XII-G, which provides grants for substance abuse treatment  
35 programs in state and local correctional facilities. The

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1 drug policy director shall expend the moneys appropriated in  
2 this section as provided in the federal law making the moneys  
3 available and in conformance with [chapter 17A](#).

4 Sec. 6. EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT  
5 PROGRAM APPROPRIATIONS. There is appropriated from the fund  
6 created pursuant to [section 8.41](#) to the office of drug control  
7 policy of the department of public safety for the following  
8 federal fiscal years beginning October 1, and ending September  
9 30, the following amounts:

10 FFY 2025-2026:..... \$ 1,964,093  
11 FFY 2026-2027:..... \$ 2,178,973

12 The appropriations made in this section are in the amounts  
13 anticipated to be received from the federal government for the  
14 designated fiscal years under 42 U.S.C. ch. 46, subch. V, which  
15 provides for the Edward Byrne memorial justice assistance grant  
16 program. The drug policy director shall expend the moneys  
17 appropriated in this section as provided in the federal law  
18 making the moneys available and in conformance with chapter  
19 17A.

20 Sec. 7. COMMUNITY SERVICES APPROPRIATIONS.

21 1. a. There is appropriated from the fund created pursuant  
22 to [section 8.41](#) to the department of health and human services  
23 for the following federal fiscal years beginning October 1, and  
24 ending September 30, the following amounts:

25 FFY 2025-2026:..... \$ 8,300,123  
26 FFY 2026-2027:..... \$ 8,300,123

27 b. The appropriations made in this subsection are in the  
28 amounts anticipated to be received from the federal government  
29 for the designated federal fiscal years under 42 U.S.C. ch.  
30 106, which provides for the community services block grant.  
31 The department of health and human services shall expend the  
32 moneys appropriated in this subsection as provided in the  
33 federal law making the moneys available and in conformance with  
34 chapter 17A.

35 c. Each federal fiscal year, the department of health and

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1 human services shall allocate not less than 96 percent of  
2 the amount of the block grants to eligible community action  
3 agencies for programs benefiting low-income persons. Each  
4 eligible agency shall receive a minimum allocation of not less  
5 than \$185,000. The minimum allocation shall be achieved by  
6 redistributing increased moneys from agencies experiencing  
7 a greater share of available moneys. The moneys shall be  
8 distributed on the basis of the poverty-level population in the  
9 area represented by the community action areas compared to the  
10 size of the poverty-level population in the state.

11 2. An amount not exceeding 4 percent of the moneys  
12 appropriated in subsection 1 for each federal fiscal year  
13 shall be used by the department of health and human services  
14 for administrative expenses. From the moneys set aside by  
15 this subsection for administrative expenses, the department  
16 of health and human services shall pay to the auditor of  
17 state an amount sufficient to pay the cost of auditing the  
18 use and administration of the state's portion of the moneys  
19 appropriated in subsection 1. The auditor of state shall bill  
20 the department of health and human services for the costs of  
21 the audits.

22 Sec. 8. COMMUNITY DEVELOPMENT APPROPRIATIONS.

23 1. a. There is appropriated from the fund created pursuant  
24 to [section 8.41](#) to the economic development authority for the  
25 following federal fiscal years beginning October 1, and ending  
26 September 30, the following amounts:

27 FFY 2025-2026:.....	\$ 26,500,000
28 FFY 2026-2027:.....	\$ 26,500,000

29 b. The appropriations made in this subsection are in the  
30 amounts anticipated to be received from the federal government  
31 for the designated federal fiscal years under 42 U.S.C. ch.  
32 69, which provides for community development block grants.  
33 The economic development authority shall expend the moneys  
34 appropriated in this subsection as provided in the federal law  
35 making the moneys available and in conformance with chapter

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1 17A.

2 2. a. An amount not exceeding \$1,160,000 for the federal  
3 fiscal year beginning October 1, 2025, shall be used by the  
4 economic development authority for administrative expenses for  
5 the community development block grant. The total amount used  
6 for administrative expenses includes \$630,000 for the federal  
7 fiscal year beginning October 1, 2025, of moneys appropriated  
8 in subsection 1 and a matching contribution from the state  
9 equal to \$530,000 from the appropriation of state moneys for  
10 the community development block grant and state appropriations  
11 for related activities of the economic development authority.  
12 From the moneys set aside for administrative expenses by this  
13 subsection, the economic development authority shall pay to  
14 the auditor of state an amount sufficient to pay the cost of  
15 auditing the use and administration of the state's portion of  
16 the moneys appropriated in subsection 1. The auditor of state  
17 shall bill the authority for the costs of the audit.

18 b. An amount not exceeding \$1,160,000 for the federal  
19 fiscal year beginning October 1, 2026, shall be used by the  
20 economic development authority for administrative expenses for  
21 the community development block grant. The total amount used  
22 for administrative expenses includes \$630,000 for the federal  
23 fiscal year beginning October 1, 2026, of moneys appropriated  
24 in subsection 1 and a matching contribution from the state  
25 equal to \$530,000 from the appropriation of state moneys for  
26 the community development block grant and state appropriations  
27 for related activities of the economic development authority.  
28 From the moneys set aside for administrative expenses by this  
29 subsection, the economic development authority shall pay to  
30 the auditor of state an amount sufficient to pay the cost of  
31 auditing the use and administration of the state's portion of  
32 the moneys appropriated in subsection 1. The auditor of state  
33 shall bill the authority for the costs of the audit.

34 Sec. 9. SURFACE TRANSPORTATION BLOCK GRANT PROGRAM

35 APPROPRIATIONS. There is appropriated from the fund created

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1 pursuant to [section 8.41](#) to the department of transportation  
2 for the following federal fiscal years beginning October 1, and  
3 ending September 30, the following amounts:

4 FFY 2025-2026:..... \$192,600,000  
5 FFY 2026-2027:..... \$192,600,000

6 The appropriations made in this section are the amounts  
7 anticipated to be received from the federal government for  
8 the designated fiscal years under 23 U.S.C. ch. 1, §133,  
9 which provides funding allocated by the state transportation  
10 commission for state and local transportation projects. The  
11 department shall expend the moneys appropriated in this section  
12 as provided in the federal law making the moneys available and  
13 in conformance with [chapter 17A](#).

14 Sec. 10. LOW-INCOME HOME ENERGY ASSISTANCE APPROPRIATIONS.

15 1. a. There is appropriated from the fund created pursuant  
16 to [section 8.41](#) to the department of health and human services  
17 for the following federal fiscal years beginning October 1, and  
18 ending September 30, the following amounts:

19 FFY 2025-2026:..... \$ 58,058,248  
20 FFY 2026-2027:..... \$ 58,058,248

21 b. The appropriations made in this subsection are in the  
22 amounts anticipated to be received from the federal government  
23 for the designated federal fiscal years under 42 U.S.C.  
24 ch. 94, subch. II, which provides for the low-income home  
25 energy assistance block grants. The department of health and  
26 human services shall expend the moneys appropriated in this  
27 subsection as provided in the federal law making the moneys  
28 available and in conformance with [chapter 17A](#).

29 2. Up to 15 percent, or up to 25 percent if a waiver is  
30 approved by the United States department of health and human  
31 services, of the amount appropriated in this section that is  
32 actually received for each federal fiscal year shall be used  
33 for residential weatherization or other related home repairs  
34 for low-income households. Of this allocation amount, not more  
35 than 10 percent may be used for administrative expenses.

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1     3. After subtracting the allocation in subsection 2, no  
2 less than 8.4 percent of the remaining moneys for each federal  
3 fiscal year are allocated for administrative expenses of the  
4 low-income home energy assistance program contractors, and  
5 up to 1.6 percent of the remaining moneys are allocated each  
6 federal fiscal year for the low-income home energy assistance  
7 program for administrative expenses of the department of  
8 health and human services. The costs of auditing the use and  
9 administration of the portion of the appropriation in this  
10 section that is retained by the state shall be paid from the  
11 amount allocated in this subsection each federal fiscal year to  
12 the department of health and human services. The auditor of  
13 state shall bill the department of health and human services  
14 for the audit costs.

15     4. The remaining moneys of the appropriation made in this  
16 section for each federal fiscal year following the allocations  
17 made in subsections 2 and 3, shall be used to help eligible  
18 households as defined in 42 U.S.C. ch. 94, subch. II, to meet  
19 home energy costs.

20     5. Not more than 10 percent of the amount appropriated in  
21 this section each federal fiscal year that is actually received  
22 may be carried forward for use in the succeeding federal fiscal  
23 year.

24     6. Expenditures for assessment and resolution of energy  
25 problems shall be limited to not more than 5 percent of the  
26 amount appropriated in this section for each federal fiscal  
27 year that is actually received.

28     Sec. 11. SOCIAL SERVICES APPROPRIATIONS.

29     1. There is appropriated from the fund created pursuant to  
30 section 8.41 to the department of health and human services for  
31 the following federal fiscal years beginning October 1, and  
32 ending September 30, the following amounts:

33 FFY 2025-2026:.....	\$ 15,264,832
34 FFY 2026-2027:.....	\$ 15,264,832

35     2. The appropriations made in this section are in the

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1 amounts anticipated to be received from the federal government  
2 for the designated federal fiscal years under 42 U.S.C. ch. 7,  
3 subch. XX, which provides for the social services block grant.  
4 The department of health and human services shall expend the  
5 moneys appropriated in this section as provided in the federal  
6 law making the moneys available and in conformance with chapter  
7 17A.

8 Sec. 12. SOCIAL SERVICES BLOCK GRANT PLAN.

9 1. The department of health and human services during each  
10 state fiscal year shall develop a plan for the use of federal  
11 social services block grant moneys for the subsequent state  
12 fiscal year.

13 2. The proposed plan shall include all programs and services  
14 at the state level which the department proposes to fund with  
15 federal social services block grant moneys, and shall identify  
16 state and other moneys which the department proposes to use to  
17 fund the state programs and services.

18 3. The proposed plan shall also include all local programs  
19 and services which are eligible to be funded with federal  
20 social services block grant moneys, the total amount of federal  
21 social services block grant moneys available for the local  
22 programs and services, and the manner of distribution of the  
23 federal social services block grant moneys to the counties.  
24 The proposed plan shall identify state and local moneys which  
25 will be used to fund the local programs and services.

26 4. The proposed plan shall be submitted with the  
27 department's budget requests to the governor and the general  
28 assembly.

29 Sec. 13. PROJECTS FOR ASSISTANCE IN TRANSITION FROM  
30 HOMELESSNESS.

31 1. Upon receipt of the minimum formula grant from the  
32 substance abuse and mental health services administration to  
33 provide mental health services for the homeless, for the state  
34 fiscal years beginning July 1, 2025, and July 1, 2026, the  
35 department of health and human services shall assure that a

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1 project which receives moneys under the formula grant shall do  
2 all of the following:

3 a. Provide outreach and engagement to homeless individuals  
4 and individuals at risk of homelessness and assesses those  
5 individuals for serious mental illness.

6 b. Enroll those individuals with serious mental illness who  
7 are willing to accept services through the project.

8 c. Provide case management to homeless persons.

9 d. Provide appropriate training to persons who provide  
10 services to persons targeted by the grant.

11 e. Assure a local match share of 25 percent.

12 f. Refer homeless individuals and individuals at risk of  
13 homelessness to primary health care, job training, educational  
14 services, and relevant housing services.

15 2. A project may expend moneys for community mental health  
16 services, diagnostic services, crisis intervention services,  
17 habilitation and rehabilitation services, substance-related  
18 disorder services, supportive and supervisory services to  
19 homeless persons living in residential settings that are  
20 not otherwise supported, and housing services including  
21 minor renovation, expansion, and repair of housing, security  
22 deposits, planning of housing, technical assistance in  
23 applying for housing, improving the coordination of housing  
24 services, the costs associated with matching eligible homeless  
25 individuals with appropriate housing, and one-time rental  
26 payments to prevent eviction.

27 Sec. 14. CHILD CARE AND DEVELOPMENT APPROPRIATIONS.

28 1. a. There is appropriated from the fund created pursuant  
29 to [section 8.41](#) to the department of health and human services  
30 for the following federal fiscal years beginning October 1, and  
31 ending September 30, the following amounts:

32 FFY 2025-2026:..... \$109,630,285  
33 FFY 2026-2027:..... \$109,630,285

34 b. The appropriations made in this section are in the  
35 amounts anticipated to be received from the federal government

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1 for the designated federal fiscal years under 42 U.S.C.  
2 ch. 105, subch. II-B, which provides for the child care and  
3 development block grant. The department shall expend the  
4 moneys appropriated in this section as provided in the federal  
5 law making the moneys available and in conformance with chapter  
6 17A.

7 2. Moneys appropriated in this section that remain  
8 unencumbered or unobligated at the close of the fiscal year  
9 shall revert to be available for appropriation for purposes of  
10 the child care and development block grant in the succeeding  
11 fiscal year.

12 Sec. 15. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES  
13 APPROPRIATIONS.

14 1. a. There is appropriated from the fund created in  
15 section 8.41 to the department of health and human services for  
16 the following federal fiscal years beginning October 1, and  
17 ending September 30, the following amounts:

18 FFY 2025-2026:..... \$130,980,383  
19 FFY 2026-2027:..... \$130,980,383

20 b. The appropriations made in this subsection are in the  
21 amounts anticipated to be received from the federal government  
22 for the designated federal fiscal years under the federal  
23 Personal Responsibility and Work Opportunity Reconciliation  
24 Act of 1996, Pub. L. No. 104-193, and successor legislation,  
25 which provides for the temporary assistance for needy families  
26 block grant. The department of health and human services  
27 shall expend the moneys appropriated in this subsection in  
28 conformance with chapter 17A, and as provided in the federal  
29 law making the moneys available, to meet one of the four  
30 core purposes of the temporary assistance for needy families  
31 block grant as described in 45 C.F.R. §260.20, including by  
32 modernizing applicable programs to promote economic mobility  
33 and self-sufficiency, ensuring families are able to overcome  
34 benefit cliffs, encouraging healthy families, and streamlining  
35 service delivery to reduce duplication of services.

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1 2. Up to 15 percent of the moneys appropriated in subsection  
2 1 for each federal fiscal year shall be used by the department  
3 of health and human services for administrative expenses in  
4 accordance with the federal Personal Responsibility and Work  
5 Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193,  
6 and successor legislation. The costs of auditing the use and  
7 administration of the portion of the appropriation in this  
8 section that is retained by the state shall be paid from the  
9 amount allocated in this subsection each federal fiscal year to  
10 the department of health and human services. The auditor of  
11 state shall bill the department of health and human services  
12 for the audit costs.

13 3. Notwithstanding section 8.33, moneys appropriated in  
14 this section for the federal fiscal year beginning October 1,  
15 2025, and ending September 30, 2026, that remain unencumbered  
16 or unobligated at the close of the fiscal year shall not revert  
17 but shall remain available for expenditure for the purposes  
18 designated until the close of the succeeding fiscal year.

19 Sec. 16. PROCEDURE FOR REDUCED FEDERAL MONEYS.

20 1. Unless otherwise necessary to meet federal requirements,  
21 if the moneys received from the federal government for  
22 the block grants specified in this Act are less than the  
23 amounts appropriated, the moneys actually received shall be  
24 prorated by the governor for the various programs, other  
25 than for the services to victims of sex offenses and for sex  
26 offense prevention under section 4, subsection 3, of this  
27 Act, for which each block grant is available according to  
28 the percentages that each program is to receive as specified  
29 in this Act. However, if the governor determines that the  
30 moneys allocated by the percentages will not be sufficient to  
31 accomplish the purposes of a particular program, or if the  
32 appropriation is not allocated by percentage, the governor may  
33 allocate the moneys in a manner which will accomplish to the  
34 greatest extent possible the purposes of the various programs  
35 for which the block grants are available.

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1        2. Before the governor implements the actions provided for  
2 in subsection 1, the following procedures shall be taken:

3        a. The chairpersons and ranking members of the senate and  
4 house standing committees on appropriations, the appropriate  
5 chairpersons and ranking members of subcommittees of those  
6 committees, and the director of the legislative services agency  
7 shall be notified of the proposed action.

8        b. The notice shall include the proposed allocations,  
9 and information on the reasons why particular percentages or  
10 amounts of moneys are allocated to the individual programs,  
11 the departments and programs affected, and other information  
12 deemed useful. Chairpersons and ranking members notified shall  
13 be allowed at least two weeks to review and comment on the  
14 proposed action before the action is taken.

15        Sec. 17. PROCEDURE FOR INCREASED FEDERAL MONEYS.

16        1. Unless otherwise necessary to meet federal requirements,  
17 if moneys received from the federal government in the form of  
18 block grants exceed the amounts appropriated in sections 1, 2,  
19 3, 4, and 8 of this Act, the excess shall be prorated to the  
20 appropriate programs according to the percentages specified in  
21 those sections, except additional moneys shall not be prorated  
22 for administrative expenses.

23        2. If actual moneys received from the federal government  
24 from block grants exceed the amount appropriated in section 10  
25 of this Act for the low-income home energy assistance program,  
26 not more than 15 percent of the excess may be allocated to the  
27 low-income residential weatherization program and not more than  
28 10 percent of the excess may be used for administrative costs.

29        3. If moneys received from the federal government from  
30 community services block grants exceed the amount appropriated  
31 in section 7 of this Act, 100 percent of the excess is  
32 allocated to the community services block grant program.

33        Sec. 18. PROCEDURE FOR EXPENDITURE OF ADDITIONAL FEDERAL  
34 MONEYS. If other federal grants, receipts, and moneys and  
35 other nonstate grants, receipts, and moneys become available

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1 or are awarded which are not available or awarded during the  
2 period in which the general assembly is in session, but which  
3 require expenditure by the applicable department or agency  
4 prior to March 15 of the fiscal years beginning July 1, 2025,  
5 and July 1, 2026, these grants, receipts, and moneys are  
6 appropriated to the extent necessary, provided that the fiscal  
7 committee of the legislative council is notified within 30 days  
8 of receipt of the grants, receipts, or moneys and the fiscal  
9 committee of the legislative council has an opportunity to  
10 comment on the expenditure of the grants, receipts, or moneys.

11 Sec. 19. OTHER GRANTS, RECEIPTS, AND MONEYS. Federal  
12 grants, receipts, and moneys and other nonstate grants,  
13 receipts, and moneys, available in whole or in part of the  
14 state fiscal years beginning July 1, 2025, and July 1, 2026,  
15 are appropriated to the following departments and agencies that  
16 are designated by and for the purposes set forth in the grants,  
17 receipts, or conditions accompanying the receipt of the moneys,  
18 unless otherwise provided by law:

- 19 1. Department of administrative services.
- 20 2. Department of agriculture and land stewardship.
- 21 3. Office of auditor of state.
- 22 4. Department for the blind.
- 23 5. Department of corrections.
- 24 6. Economic development authority.
- 25 7. Department of education.
- 26 8. Iowa ethics and campaign disclosure board.
- 27 9. Iowa finance authority.
- 28 10. Offices of the governor and lieutenant governor.
- 29 11. Department of health and human services.
- 30 12. Department of homeland security and emergency  
31 management.
- 32 13. Department of inspections, appeals, and licensing.
- 33 14. Department of insurance and financial services.
- 34 15. Judicial branch.
- 35 16. Department of justice.

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- 1 17. Iowa law enforcement academy.
- 2 18. Department of management.
- 3 19. Department of natural resources.
- 4 20. Board of parole.
- 5 21. Department of public defense.
- 6 22. Department of public safety.
- 7 23. State board of regents.
- 8 24. Department of revenue.
- 9 25. Office of secretary of state.
- 10 26. Iowa state fair authority.
- 11 27. Office for state-federal relations.
- 12 28. Iowa telecommunications and technology commission.
- 13 29. Office of treasurer of state.
- 14 30. Department of transportation.
- 15 31. Iowa utilities commission.
- 16 32. Department of veterans affairs.
- 17 33. Department of workforce development.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with  
20 the explanation's substance by the members of the general assembly.

21 This bill makes appropriations of federal block grants,  
22 other federal moneys, and nonstate moneys.

23 The bill appropriates moneys for the 2025-2026 and 2026-2027  
24 federal fiscal years from block grants available from the  
25 federal government and provides procedures for increasing or  
26 decreasing the appropriations if the amounts of the block  
27 grants are increased or decreased from the amounts anticipated.  
28 The federal fiscal year begins October 1, and the state  
29 fiscal year begins July 1. The bill also makes standing  
30 appropriations for the 2025-2026 and 2026-2027 state fiscal  
31 years of other federal and nonstate grants, receipts, and  
32 moneys.

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**Senate Study Bill 1217 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED GOVERNOR BUDGET  
BILL)

**A BILL FOR**

1 An Act relating to and making appropriations for state  
2 government administration and regulation, including the  
3 department of administrative services, auditor of state,  
4 office of civil rights, ethics and campaign disclosure  
5 board, offices of governor and lieutenant governor,  
6 department of inspections, appeals, and licensing,  
7 department of insurance and financial services, department  
8 of management, Iowa public employees' retirement system,  
9 public information board, department of revenue, secretary  
10 of state, treasurer of state, and utilities commission.  
11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. DEPARTMENT OF ADMINISTRATIVE SERVICES.

2 1. There is appropriated from the general fund of the state  
3 to the department of administrative services for the fiscal  
4 year beginning July 1, 2025, and ending June 30, 2026, the  
5 following amounts, or so much thereof as is necessary, to be  
6 used for the purposes designated:

7 a. For salaries, support, maintenance, and miscellaneous  
8 purposes:

9 ..... \$ 3,751,628

10 b. For the payment of utility costs:

11 ..... \$ 4,489,924

12 Notwithstanding section 8.33, moneys appropriated  
13 for utility costs in this lettered paragraph that remain  
14 unencumbered or unobligated at the close of the fiscal year  
15 shall not revert but shall remain available for expenditure  
16 for the purposes designated until the close of the succeeding  
17 fiscal year.

18 c. For Terrace Hill operations:

19 ..... \$ 553,531

20 d. For state library services:

21 (1) For salaries, support, maintenance, and miscellaneous  
22 purposes:

23 ..... \$ 2,664,045

24 (2) For the enrich Iowa program established under section  
25 8A.209:

26 ..... \$ 2,464,823

27 e. (1) For support of the state's historical resources:

28 ..... \$ 4,347,132

29 (2) The department shall coordinate historical and cultural  
30 activities with the tourism office of the economic development  
31 authority to promote attendance at the state historical  
32 building and at the state's historic sites.

33 f. For administration and support of the state's historic  
34 sites:

35 ..... \$ 430,305

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1 2. Any moneys and premiums collected by the department  
2 for workers' compensation shall be segregated into a separate  
3 workers' compensation fund in the state treasury to be used  
4 for payment of state employees' workers' compensation claims  
5 and administrative costs. Notwithstanding [section 8.33](#),  
6 unencumbered or unobligated moneys remaining in this workers'  
7 compensation fund at the end of the fiscal year shall not  
8 revert but shall remain available for expenditure for purposes  
9 of the fund in subsequent fiscal years.

10 Sec. 2. DEPARTMENT OF ADMINISTRATIVE SERVICES —  
11 REVOLVING FUNDS. There is appropriated to the department of  
12 administrative services for the fiscal year beginning July  
13 1, 2025, and ending June 30, 2026, from the revolving funds  
14 designated in [chapter 8A](#) and from internal service funds  
15 created by the department such amounts as the department deems  
16 necessary for the operation of the department consistent with  
17 the requirements of [chapter 8A](#).

18 Sec. 3. DEPARTMENT OF ADMINISTRATIVE SERVICES — STATE  
19 EMPLOYEE HEALTH INSURANCE ADMINISTRATION CHARGE. For the  
20 fiscal year beginning July 1, 2025, and ending June 30, 2026,  
21 the monthly per contract administrative charge which may be  
22 assessed by the department of administrative services shall be  
23 \$2.00 per contract on all health insurance plans administered  
24 by the department.

25 Sec. 4. AUDITOR OF STATE.

26 1. There is appropriated from the general fund of the state  
27 to the office of the auditor of state for the fiscal year  
28 beginning July 1, 2025, and ending June 30, 2026, the following  
29 amounts, or so much thereof as is necessary, to be used for the  
30 purposes designated:

31 For salaries, support, maintenance, and miscellaneous  
32 purposes:

33 ..... \$ 1,024,779

34 2. The auditor of state may retain additional full-time  
35 equivalent positions as is reasonable and necessary to

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1 perform governmental subdivision audits which are reimbursable  
2 pursuant to [section 11.20](#) or [11.21](#), to perform audits which are  
3 requested by and reimbursable from the federal government, and  
4 to perform work requested by and reimbursable from departments  
5 or agencies pursuant to [section 11.5A](#) or [11.5B](#). The auditor  
6 of state shall notify the department of management, the  
7 legislative fiscal committee, and the legislative services  
8 agency of the additional full-time equivalent positions  
9 retained.

10 3. The auditor of state shall allocate moneys from the  
11 appropriations in this section solely for audit work related to  
12 the annual comprehensive financial report, federally required  
13 audits, and investigations of embezzlement, theft, or other  
14 significant financial irregularities until the audit of the  
15 annual comprehensive financial report is complete.

16 Sec. 5. IOWA OFFICE OF CIVIL RIGHTS. There is appropriated  
17 from the general fund of the state to the Iowa office of civil  
18 rights for the fiscal year beginning July 1, 2025, and ending  
19 June 30, 2026, the following amount, or so much thereof as is  
20 necessary, to be used for the purposes designated:

21 a. For salaries, support, maintenance, and miscellaneous  
22 purposes:  
23 ..... \$ 1,419,253

24 b. The Iowa office of civil rights may enter into a contract  
25 with a nonprofit organization to provide legal assistance to  
26 resolve civil rights complaints.

27 Sec. 6. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD. There  
28 is appropriated from the general fund of the state to the  
29 Iowa ethics and campaign disclosure board for the fiscal year  
30 beginning July 1, 2025, and ending June 30, 2026, the following  
31 amount, or so much thereof as is necessary, to be used for the  
32 purposes designated:

33 For salaries, support, maintenance, and miscellaneous  
34 purposes:  
35 ..... \$ 910,105

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1       Sec. 7. GOVERNOR AND LIEUTENANT GOVERNOR. There is  
2 appropriated from the general fund of the state to the offices  
3 of the governor and the lieutenant governor for the fiscal year  
4 beginning July 1, 2025, and ending June 30, 2026, the following  
5 amounts, or so much thereof as is necessary, to be used for the  
6 purposes designated:

7       1. GENERAL OFFICE

8       For salaries, support, maintenance, and miscellaneous  
9 purposes:

10 ..... \$ 2,920,608

11       2. TERRACE HILL QUARTERS

12       For the governor's quarters at Terrace Hill, including  
13 salaries, support, maintenance, and miscellaneous purposes:

14 ..... \$ 146,503

15       Sec. 8. DEPARTMENT OF INSPECTIONS, APPEALS, AND

16 LICENSING. There is appropriated from the general fund of the  
17 state to the department of inspections, appeals, and licensing  
18 for the fiscal year beginning July 1, 2025, and ending June  
19 30, 2026, the following amounts, or so much thereof as is  
20 necessary, to be used for the purposes designated:

21       1. ADMINISTRATION DIVISION

22       For salaries, support, maintenance, and miscellaneous  
23 purposes:

24 ..... \$ 955,906

25       2. ADMINISTRATIVE HEARINGS DIVISION

26       For salaries, support, maintenance, and miscellaneous  
27 purposes:

28 ..... \$ 676,051

29       3. INVESTIGATIONS

30       a. For salaries, support, maintenance, and miscellaneous  
31 purposes:

32 ..... \$ 2,806,833

33       b. By December 1, 2025, the department shall submit a  
34 report to the general assembly concerning the department's  
35 activities relative to fraud in public assistance programs

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1 for the fiscal year beginning July 1, 2024, and ending June  
2 30, 2025. The report shall include but is not limited to a  
3 summary of the number of cases investigated, case outcomes,  
4 overpayment dollars identified, amount of cost avoidance, and  
5 actual dollars recovered.

6 4. HEALTH FACILITIES

7 a. For salaries, support, maintenance, and miscellaneous  
8 purposes:

9 ..... \$ 6,293,552

10 b. The department shall make all of the following  
11 information available to the public as part of the department's  
12 development efforts to revise the department's internet site:

13 (1) The number of inspections of health facilities  
14 conducted by the department annually by type of service  
15 provider and type of inspection.

16 (2) The total annual operations budget for the department  
17 that is associated with health facilities regulation, including  
18 general fund appropriations and federal contract dollars  
19 received by type of service provider inspected.

20 (3) The total number of full-time equivalent positions  
21 in the department that are associated with health facilities  
22 regulation, to include the number of full-time equivalent  
23 positions serving in a supervisory capacity, and serving as  
24 surveyors, inspectors, or monitors in the field by type of  
25 service provider inspected.

26 (4) Identification of state and federal survey trends,  
27 cited regulations, the scope and severity of deficiencies  
28 identified, and federal and state fines assessed and collected  
29 concerning nursing and assisted living facilities and programs.

30 c. It is the intent of the general assembly that the  
31 department continuously solicit input from health facilities  
32 regulated by the department to assess and improve the  
33 department's level of collaboration and to identify new  
34 opportunities for cooperation.

35 5. EMPLOYMENT APPEAL BOARD

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1 a. For salaries, support, maintenance, and miscellaneous  
2 purposes:  
3 ..... \$ 531,497

4 b. The employment appeal board shall be reimbursed by the  
5 department for all costs associated with hearings conducted  
6 under **chapter 91C** related to contractor registration. The  
7 board may expend, in addition to the amount appropriated under  
8 this subsection, additional amounts as are directly billable  
9 to the department under this subsection and to retain the  
10 additional full-time equivalent positions as needed to conduct  
11 hearings required pursuant to **chapter 91C**.

12 c. The employment appeal board may temporarily exceed and  
13 draw more than the amount appropriated in this subsection and  
14 incur a negative cash balance as long as there are receivables  
15 of federal funds equal to or greater than the negative balance  
16 and the amount appropriated in this subsection is not exceeded  
17 at the close of the fiscal year.

18 6. FOOD AND CONSUMER SAFETY

19 For salaries, support, maintenance, and miscellaneous  
20 purposes:  
21 ..... \$ 547,673

22 7. LABOR SERVICES

23 a. For salaries, support, maintenance, and miscellaneous  
24 purposes:  
25 ..... \$ 3,004,316

26 b. Notwithstanding section 8.33, moneys appropriated in  
27 this subsection that remain unencumbered or unobligated at the  
28 close of the fiscal year shall not revert but shall remain  
29 available for expenditure for the purposes designated until the  
30 close of the succeeding fiscal year.

31 8. DIVISION OF WORKERS' COMPENSATION

32 a. For salaries, support, maintenance, and miscellaneous  
33 purposes:  
34 ..... \$ 3,434,641

35 b. Notwithstanding section 8.33, moneys appropriated in

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1 this subsection that remain unencumbered or unobligated at the  
2 close of the fiscal year shall not revert but shall remain  
3 available for expenditure for the purposes designated until the  
4 close of the succeeding fiscal year.

5 9. PROFESSIONAL LICENSING

6 For salaries, support, maintenance, and miscellaneous  
7 purposes:

8 ..... \$ 1,645,276

9 10. APPROPRIATION REALLOCATION

10 Notwithstanding [section 8.39](#), the department of inspections,  
11 appeals, and licensing, in consultation with the department of  
12 management, may reallocate moneys appropriated in this section  
13 as necessary to best fulfill the needs of the department  
14 of inspections, appeals, and licensing provided for in the  
15 appropriation. However, the department of inspections,  
16 appeals, and licensing shall not reallocate moneys appropriated  
17 for labor services or the division of workers' compensation.

18 Sec. 9. DEPARTMENT OF INSPECTIONS, APPEALS, AND LICENSING  
19 — LICENSE OR REGISTRATION FEES.

20 1. For the fiscal year beginning July 1, 2025, and ending  
21 June 30, 2026, the department of inspections, appeals, and  
22 licensing shall collect any license or registration fees or  
23 electronic transaction fees generated during the fiscal year  
24 as a result of licensing and registration activities under  
25 chapters 99B, [137C](#), [137D](#), and [137F](#).

26 2. From the fees collected by the department under this  
27 section on behalf of a municipal corporation with which  
28 the department has an agreement pursuant to [section 137F.3](#),  
29 through a statewide electronic licensing system operated by  
30 the department, notwithstanding [section 137F.6, subsection 2](#),  
31 the department shall remit the amount of those fees to the  
32 municipal corporation for whom the fees were collected less  
33 any electronic transaction fees collected by the department to  
34 enable electronic payment.

35 3. From the fees collected by the department under this

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1 section, other than those fees described in subsection 2,  
2 the department shall deposit the amount of \$800,000 into the  
3 general fund of the state prior to June 30, 2026.

4 4. From the fees collected by the department under this  
5 section, other than those fees described in subsections 2 and  
6 3, the department shall retain the remainder of the fees for  
7 the purposes of enforcing the provisions of chapters 99B, 137C,  
8 137D, and 137F. Notwithstanding section 8.33, moneys retained  
9 by the department pursuant to this subsection that remain  
10 unencumbered or unobligated at the close of the fiscal year  
11 shall not revert but shall remain available for expenditure  
12 for the purposes of enforcing the provisions of chapters 99B,  
13 137C, 137D, and 137F during the succeeding fiscal year. The  
14 department shall provide an annual report to the department  
15 of management and the legislative services agency on fees  
16 billed and collected and expenditures from the moneys retained  
17 by the department in a format determined by the department  
18 of management in consultation with the legislative services  
19 agency.

20 Sec. 10. DEPARTMENT OF INSPECTIONS, APPEALS, AND LICENSING  
21 — HOUSING TRUST FUND. There is appropriated from the housing  
22 trust fund created in section 16.181 to the department of  
23 inspections, appeals, and licensing for the fiscal year  
24 beginning July 1, 2025, and ending June 30, 2026, the following  
25 amount, or so much thereof as is necessary, to be used for the  
26 purposes designated:

27 For professional licensing salaries, support, maintenance,  
28 and miscellaneous purposes:  
29 ..... \$ 62,317

30 Sec. 11. DEPARTMENT OF INSPECTIONS, APPEALS, AND LICENSING  
31 — RACING AND GAMING COMMISSION — RACING AND GAMING  
32 REGULATION. There is appropriated from the gaming regulatory  
33 revolving fund established in section 99F.20 to the racing and  
34 gaming commission of the department of inspections, appeals,  
35 and licensing for the fiscal year beginning July 1, 2025, and

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1 ending June 30, 2026, the following amount, or so much thereof  
2 as is necessary, to be used for the purposes designated:

3 For salaries, support, maintenance, and miscellaneous  
4 purposes for regulation, administration, and enforcement of  
5 pari-mutuel racetracks, excursion boat gambling, gambling  
6 structure laws, sports wagering, and fantasy sports contests:  
7 ..... \$ 7,448,600

8 Sec. 12. DEPARTMENT OF INSPECTIONS, APPEALS, AND LICENSING  
9 — ROAD USE TAX FUND. There is appropriated from the road  
10 use tax fund created in [section 312.1](#) to the administrative  
11 hearings division of the department of inspections, appeals,  
12 and licensing for the fiscal year beginning July 1, 2025, and  
13 ending June 30, 2026, the following amount, or so much thereof  
14 as is necessary, to be used for the purposes designated:

15 For salaries, support, maintenance, and miscellaneous  
16 purposes:  
17 ..... \$ 1,623,897

18 Sec. 13. DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
19 — COMMERCE REVOLVING FUND. There is appropriated from the  
20 commerce revolving fund created in [section 546.12](#) to the  
21 department of insurance and financial services for the fiscal  
22 year beginning July 1, 2025, and ending June 30, 2026, the  
23 following amounts, or so much thereof as is necessary, to be  
24 used for the purposes designated:

25 1. BANKING DIVISION  
26 For salaries, support, maintenance, and miscellaneous  
27 purposes:  
28 ..... \$ 14,343,523

29 2. CREDIT UNION DIVISION  
30 For salaries, support, maintenance, and miscellaneous  
31 purposes:  
32 ..... \$ 2,875,989

33 3. INSURANCE DIVISION  
34 a. For salaries, support, maintenance, and miscellaneous  
35 purposes:

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1 ..... \$ 10,326,541

2 b. The insurance division expenditures for examination  
3 purposes may exceed the projected receipts, refunds, and  
4 reimbursements, estimated pursuant to section 505.7, subsection  
5 7, including the expenditures for retention of additional  
6 personnel, if the expenditures are fully reimbursable and the  
7 division first does all of the following:

8 (1) Notifies the department of management, the legislative  
9 services agency, and the legislative fiscal committee of the  
10 need for the expenditures.

11 (2) Files with each of the entities named in subparagraph  
12 (1) the legislative and regulatory justification for the  
13 expenditures, along with an estimate of the expenditures.

14 Sec. 14. DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES —  
15 GENERAL FUND. There is appropriated from the general fund of  
16 the state to the department of insurance and financial services  
17 for the fiscal year beginning July 1, 2025, and ending June  
18 30, 2026, the following amounts, or so much thereof as is  
19 necessary, to be used for the purposes designated:

20 For deposit in the captive insurance regulatory and  
21 supervision fund created in section 521J.12 for use as provided  
22 in section 521J.12, including salaries, support, maintenance,  
23 and miscellaneous purposes:

24 ..... \$ 450,000

25 Sec. 15. DEPARTMENT OF MANAGEMENT. There is appropriated  
26 from the general fund of the state to the department of  
27 management for the fiscal year beginning July 1, 2025, and  
28 ending June 30, 2026, the following amounts, or so much thereof  
29 as is necessary, to be used for the purposes designated:

30 1. For enterprise resource planning, providing for a  
31 salary model administrator, conducting performance audits,  
32 the department's LEAN process, criminal and juvenile justice  
33 planning, and for salaries, support, maintenance, and  
34 miscellaneous purposes:

35 ..... \$ 3,723,141

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1 2. For the division of information technology, and for  
2 salaries, support, maintenance, and miscellaneous purposes:  
3 ..... \$ 4,421,887

4 Of the moneys appropriated in this subsection, \$325,000  
5 is allocated to providing cybersecurity services to local  
6 governments.

7 Sec. 16. DEPARTMENT OF MANAGEMENT — INFORMATION TECHNOLOGY  
8 — REVOLVING AND INTERNAL FUNDS.

9 1. There is appropriated to the department of management  
10 for the fiscal year beginning July 1, 2025, and ending June  
11 30, 2026, from the revolving funds designated in chapter 8,  
12 subchapter XI, and from internal service funds created under  
13 section 8.92, such amounts as the department deems necessary  
14 for the operation of the department pursuant to and consistent  
15 with the requirements of [chapter 8, subchapter XI](#).

16 2. a. Notwithstanding [section 321A.3, subsection 1](#), for the  
17 fiscal year beginning July 1, 2025, and ending June 30, 2026,  
18 the first \$750,000 collected and transferred to the treasurer  
19 of state with respect to the fees for transactions involving  
20 the furnishing of a certified abstract of a vehicle operating  
21 record under [section 321A.3, subsection 1](#), shall be transferred  
22 to the IowAccess revolving fund created in [section 8.90](#) for  
23 the purposes of developing, implementing, maintaining, and  
24 expanding electronic access to government records as provided  
25 by law.

26 b. All fees collected with respect to transactions  
27 involving IowAccess shall be deposited in the IowAccess  
28 revolving fund created under [section 8.90](#) and shall be used  
29 only for the support of IowAccess projects.

30 Sec. 17. DEPARTMENT OF MANAGEMENT — ROAD USE TAX  
31 FUND. There is appropriated from the road use tax fund created  
32 in [section 312.1](#) to the department of management for the fiscal  
33 year beginning July 1, 2025, and ending June 30, 2026, the  
34 following amount, or so much thereof as is necessary, to be  
35 used for the purposes designated:

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1 For salaries, support, maintenance, and miscellaneous  
2 purposes:  
3 ..... \$ 56,000

4 Sec. 18. IPERS — GENERAL OFFICE. There is appropriated  
5 from the Iowa public employees' retirement fund created in  
6 section 97B.7 to the Iowa public employees' retirement system  
7 for the fiscal year beginning July 1, 2025, and ending June  
8 30, 2026, the following amounts, or so much thereof as is  
9 necessary, to be used for the purposes designated:

10 1. For salaries, support, maintenance, and other  
11 operational purposes to pay the costs of the Iowa public  
12 employees' retirement system:  
13 ..... \$ 23,955,503

14 2. a. For a pension administrative system:  
15 ..... \$ 60,000,000

16 b. Notwithstanding section 8.33, moneys appropriated in  
17 this subsection that remain unencumbered or unobligated at the  
18 close of the fiscal year shall not revert but shall remain  
19 available for expenditure for the purposes designated until the  
20 end of the fiscal year beginning July 1, 2035.

21 Sec. 19. IOWA PUBLIC INFORMATION BOARD. There is  
22 appropriated from the general fund of the state to the Iowa  
23 public information board for the fiscal year beginning July  
24 1, 2025, and ending June 30, 2026, the following amount, or  
25 so much thereof as is necessary, to be used for the purposes  
26 designated:

27 For salaries, support, maintenance, and miscellaneous  
28 purposes:  
29 ..... \$ 369,786

30 Sec. 20. DEPARTMENT OF REVENUE.

31 1. There is appropriated from the general fund of the state  
32 to the department of revenue for the fiscal year beginning July  
33 1, 2025, and ending June 30, 2026, the following amounts, or  
34 so much thereof as is necessary, to be used for the purposes  
35 designated:

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1 a. For salaries, support, maintenance, and miscellaneous  
2 purposes:  
3 ..... \$ 15,548,283

4 b. From the moneys appropriated in this subsection, the  
5 department shall use \$400,000 to pay the direct costs of  
6 compliance related to the collection and distribution of local  
7 sales and services taxes imposed pursuant to [chapter 423B](#).

8 2. The director of revenue shall prepare and issue a state  
9 appraisal manual and the revisions to the state appraisal  
10 manual as provided in [section 421.17, subsection 17](#), without  
11 cost to a city or county.

12 Sec. 21. DEPARTMENT OF REVENUE — MOTOR VEHICLE FUEL TAX  
13 FUND. There is appropriated from the motor vehicle fuel tax  
14 fund created pursuant to [section 452A.77](#) to the department of  
15 revenue for the fiscal year beginning July 1, 2025, and ending  
16 June 30, 2026, the following amount, or so much thereof as is  
17 necessary, to be used for the purposes designated:

18 For salaries, support, maintenance, and miscellaneous  
19 purposes, and for administration and enforcement of the  
20 provisions of [chapter 452A](#) and the motor vehicle fuel tax  
21 program:  
22 ..... \$ 1,305,775

23 Sec. 22. SECRETARY OF STATE. There is appropriated from  
24 the general fund of the state to the office of the secretary of  
25 state for the fiscal year beginning July 1, 2025, and ending  
26 June 30, 2026, the following amounts, or so much thereof as is  
27 necessary, to be used for the purposes designated:

28 1. ADMINISTRATION AND ELECTIONS

29 a. For salaries, support, maintenance, and miscellaneous  
30 purposes:  
31 ..... \$ 2,593,508

32 b. The state department or agency that provides data  
33 processing services to support voter registration file  
34 maintenance and storage shall provide those services without  
35 charge.

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1 2. BUSINESS SERVICES

2 For salaries, support, maintenance, and miscellaneous  
3 purposes:

4 ..... \$ 1,589,216

5 Sec. 23. SECRETARY OF STATE — ADDRESS CONFIDENTIALITY  
6 PROGRAM REVOLVING FUND. There is appropriated from the address  
7 confidentiality program revolving fund created in [section 9.8](#)  
8 to the office of the secretary of state for the fiscal year  
9 beginning July 1, 2025, and ending June 30, 2026, the following  
10 amount, or so much thereof as is necessary, to be used for the  
11 purposes designated:

12 For salaries, support, maintenance, and miscellaneous  
13 purposes:

14 ..... \$ 195,400

15 Sec. 24. SECRETARY OF STATE FILING FEES REFUND.  
16 Notwithstanding the obligation to collect fees pursuant to the  
17 provisions of [section 489.122, subsection 1](#), paragraphs "c" and  
18 "s", [section 490.122, subsection 1](#), paragraph "a", and section  
19 504.113, subsection 1, paragraphs "a", "c", "d", "j", "k",  
20 "l", and "m", for the fiscal year beginning July 1, 2025, the  
21 secretary of state may refund these fees to the filer pursuant  
22 to rules established by the secretary of state. The decision  
23 of the secretary of state not to issue a refund under rules  
24 established by the secretary of state is final and not subject  
25 to review pursuant to [chapter 17A](#).

26 Sec. 25. TREASURER OF STATE.

27 1. There is appropriated from the general fund of the  
28 state to the office of treasurer of state for the fiscal year  
29 beginning July 1, 2025, and ending June 30, 2026, the following  
30 amount, or so much thereof as is necessary, to be used for the  
31 purposes designated:

32 For salaries, support, maintenance, and miscellaneous  
33 purposes:

34 ..... \$ 1,065,211

35 2. The office of treasurer of state shall supply

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1 administrative support for the executive council.

2     Sec. 26. TREASURER OF STATE — ROAD USE TAX FUND. There  
3 is appropriated from the road use tax fund created in section  
4 312.1 to the office of treasurer of state for the fiscal year  
5 beginning July 1, 2025, and ending June 30, 2026, the following  
6 amount, or so much thereof as is necessary, to be used for the  
7 purposes designated:

8     For enterprise resource management costs related to the  
9 distribution of road use tax fund moneys:

10 ..... \$ 316,788

11     Sec. 27. IOWA UTILITIES COMMISSION.

12     1. There is appropriated from the commerce revolving fund  
13 created in section 546.12 to the Iowa utilities commission for  
14 the fiscal year beginning July 1, 2025, and ending June 30,  
15 2026, the following amount, or so much thereof as is necessary,  
16 to be used for the purposes designated:

17     For salaries, support, maintenance, and miscellaneous  
18 purposes:

19 ..... \$ 11,659,071

20     2. The utilities commission may expend additional moneys,  
21 including moneys for additional personnel, if those additional  
22 expenditures are actual expenses which exceed the moneys  
23 budgeted for utility regulation and the expenditures are fully  
24 reimbursable. Before the commission expends or encumbers an  
25 amount in excess of the moneys budgeted for regulation, the  
26 commission shall first do all of the following:

27     a. Notify the department of management, the legislative  
28 services agency, and the legislative fiscal committee of the  
29 need for the expenditures.

30     b. File with each of the entities named in paragraph "a" the  
31 legislative and regulatory justification for the expenditures,  
32 along with an estimate of the expenditures.

33     Sec. 28. CHARGES — IOWA UTILITIES COMMISSION AND  
34 DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES. The Iowa  
35 utilities commission and each division of the department of

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1 insurance and financial services shall include in its charges  
2 assessed or revenues generated an amount sufficient to cover  
3 the amount stated in its appropriation and any state-assessed  
4 indirect costs determined by the department of administrative  
5 services.

6 Sec. 29. IOWA PRODUCTS. As a condition of receiving an  
7 appropriation, any agency appropriated moneys pursuant to this  
8 Act shall give first preference when purchasing a product to an  
9 Iowa product or a product produced by an Iowa-based business.  
10 Second preference shall be given to a United States product or  
11 a product produced by a business based in the United States.

12 Sec. 30. LIMITATION OF STANDING APPROPRIATION.

13 Notwithstanding the standing appropriation in the following  
14 designated section for the fiscal year beginning July 1, 2025,  
15 and ending June 30, 2026, the amount appropriated from the  
16 general fund of the state pursuant to that section for the  
17 following designated purpose shall not exceed the following  
18 amount:

19 For the enforcement of [chapter 453D](#) relating to tobacco  
20 product manufacturers under [section 453D.8](#):

21 ..... \$ 17,525

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with  
24 the explanation's substance by the members of the general assembly.

25 This bill relates to and appropriates moneys to various  
26 state departments, agencies, and funds for FY 2025-2026,  
27 including the department of administrative services, auditor  
28 of state, Iowa office of civil rights, Iowa ethics and  
29 campaign disclosure board, offices of governor and lieutenant  
30 governor, department of inspections, appeals, and licensing,  
31 department of insurance and financial services, department of  
32 management, Iowa public employees' retirement system, Iowa  
33 public information board, department of revenue, secretary of  
34 state, treasurer of state, and Iowa utilities commission.

35 The bill limits a standing appropriation for FY 2025-2026

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1 for enforcement of Code chapter 453D relating to tobacco  
2 product manufacturers under Code section 453D.8.

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**Senate Study Bill 1218 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_

BY (PROPOSED GOVERNOR BUDGET  
BILL)

**A BILL FOR**

1 An Act relating to and making appropriations from the rebuild  
2 Iowa infrastructure fund and technology reinvestment fund,  
3 and including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

REBUILD IOWA INFRASTRUCTURE FUND

Section 1. REBUILD IOWA INFRASTRUCTURE FUND —

APPROPRIATIONS. There is appropriated from the rebuild Iowa infrastructure fund created in section 8.57 to the following departments and agencies for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

a. For the demolition of the fleet building located at 307 East Seventh Street, Des Moines, Iowa, notwithstanding section 8.57, subsection 3, paragraph "c":

..... \$ 1,500,000

b. For maintenance projects at the state historical building:

..... \$ 5,000,000

2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

(1) For deposit in the water quality initiative fund created in [section 466B.45](#) for purposes of supporting the water quality initiative administered by the division of soil conservation and water quality as provided in [section 466B.42](#), including salaries, support, maintenance, and miscellaneous purposes, notwithstanding [section 8.57, subsection 3](#), paragraph "c":

..... \$ 8,200,000

(2) (a) The moneys appropriated in this lettered paragraph shall be used to support demonstration projects in subwatersheds as designated by the department that are part of high-priority watersheds identified by the water resources coordinating council.

(b) The moneys appropriated in this lettered paragraph shall be used to support demonstration projects in watersheds generally, including regional watersheds, as designated by the division, and high-priority watersheds identified by the water

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1 resources coordinating council.

2 (3) In supporting projects in watersheds and subwatersheds  
3 as provided in subparagraph (2), all of the following apply:

4 (a) The demonstration projects must utilize water quality  
5 practices as described in the latest revision of the document  
6 entitled "Iowa Nutrient Reduction Strategy" initially presented  
7 in November 2012 by the department of agriculture and land  
8 stewardship, the department of natural resources, and Iowa  
9 state university of science and technology.

10 (b) The division shall implement demonstration projects  
11 as provided in subparagraph division (a) by providing  
12 for participation by persons who hold a legal interest in  
13 agricultural land used in farming. To every extent practical,  
14 the division shall provide for collaborative participation by  
15 such persons who hold a legal interest in agricultural land  
16 located within the same subwatershed.

17 (c) The division shall implement demonstration projects on  
18 a cost-share basis as determined by the division. Except for  
19 edge-of-field practices, the state's share of the amount shall  
20 not exceed 50 percent of the estimated cost of establishing the  
21 practice as determined by the division or 50 percent of the  
22 actual cost of establishing the practice, whichever is less.

23 (d) The demonstration projects shall be used to educate  
24 other persons about the feasibility and value of establishing  
25 similar water quality practices. The division shall promote  
26 field day events for purposes of allowing interested persons to  
27 establish water quality practices on such persons' agricultural  
28 land.

29 (e) The division shall conduct water quality evaluations  
30 within supported subwatersheds. Within a reasonable period  
31 after accumulating information from such evaluations, the  
32 division shall create an aggregated database of water quality  
33 practices. Any information identifying a person holding a  
34 legal interest in agricultural land or specific agricultural  
35 land shall be a confidential record.

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1 (4) The moneys appropriated in this lettered paragraph  
2 shall be used to support education and outreach in a manner  
3 that encourages persons who hold a legal interest in  
4 agricultural land used for farming to implement water quality  
5 practices, including the establishment of such practices in  
6 watersheds generally, and not limited to subwatersheds or  
7 high-priority watersheds.

8 (5) The moneys appropriated in this lettered paragraph  
9 may be used to contract with persons to coordinate the  
10 implementation of efforts provided in this lettered paragraph.

11 (6) The moneys appropriated in this lettered paragraph  
12 may be used by the department to support urban soil and water  
13 conservation efforts, which may include but are not limited  
14 to management practices related to bioretention, landscaping,  
15 the use of permeable or pervious pavement, and soil quality  
16 restoration. The moneys shall be allocated on a cost-share  
17 basis as provided in [chapter 161A](#).

18 (7) Notwithstanding any other provision of law to the  
19 contrary, the department may use moneys appropriated in this  
20 lettered paragraph to carry out the provisions of this lettered  
21 paragraph on a cost-share basis in combination with other  
22 moneys available to the department from a state or federal  
23 source.

24 (8) Not more than 10 percent of the moneys appropriated in  
25 this lettered paragraph may be used for costs of administration  
26 and implementation of the water quality initiative administered  
27 by the division.

28 b. For deposit in the renewable fuels infrastructure fund  
29 created in [section 159A.16](#) for renewable fuel infrastructure  
30 programs:

31 ..... \$ 10,000,000

32 c. For updating the maximum return to nitrogen modeling  
33 system for fertilizer management, notwithstanding section 8.57,  
34 subsection 3, paragraph "c":

35 ..... \$ 1,000,000

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1 Any information received, collected, or held for purposes  
2 of this lettered paragraph is a confidential record exempt  
3 from public release if the information identifies a person  
4 who holds a legal interest in agricultural land or who has  
5 previously held a legal interest in agricultural land, a person  
6 who is involved or who was previously involved in managing  
7 the agricultural land or producing crops or livestock on  
8 the agricultural land, or the identifiable location of the  
9 agricultural land.

10 3. DEPARTMENT FOR THE BLIND

11 For building repairs for the building located at 524 Fourth  
12 Street, Des Moines, Iowa:

13 ..... \$ 559,000

14 4. DEPARTMENT OF CORRECTIONS

15 For the renovation and construction of a central office for  
16 community-based corrections located in district 4:

17 ..... \$ 4,163,847

18 5. ECONOMIC DEVELOPMENT AUTHORITY

19 a. For deposit in the community attraction and tourism  
20 fund created in section 15F.204, notwithstanding section 8.57,  
21 subsection 3, paragraph "c":

22 ..... \$ 10,000,000

23 b. For deposit in the destination Iowa fund created in  
24 section 15.281, notwithstanding section 8.57, subsection 3,  
25 paragraph "c":

26 ..... \$ 10,000,000

27 c. For grants to nonprofit organizations committed to  
28 strengthening communities through youth development, healthy  
29 living, and social responsibility for costs associated with  
30 the renovation and maintenance of facility infrastructure at  
31 facilities located in cities with a population of less than  
32 28,000 as determined by the 2020 federal decennial census:

33 ..... \$ 250,000

34 d. For providing a grant to the entity in possession of  
35 the U.S.S. Iowa (BB-61) for purposes of deck replacement,

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1 notwithstanding section 8.57, subsection 3, paragraph "c":  
2 ..... \$ 750,000  
3 6. IOWA COMMUNICATIONS NETWORK  
4 For the construction of a network redundancy at the joint  
5 forces headquarters, notwithstanding section 8.57, subsection  
6 3, paragraph "c":  
7 ..... \$ 2,000,000  
8 7. IOWA LAW ENFORCEMENT ACADEMY  
9 For the construction of a driving training facility:  
10 ..... \$ 15,000,000  
11 8. IOWA STATE FAIR AUTHORITY  
12 For the construction of an agriculture education facility:  
13 ..... \$ 2,500,000  
14 9. JUDICIAL BRANCH  
15 For the renovation of the Linn county courthouse, and  
16 for furnishing the courthouse, notwithstanding section 8.57,  
17 subsection 3, paragraph "c":  
18 ..... \$ 229,000  
19 10. DEPARTMENT OF NATURAL RESOURCES  
20 a. For implementation of lake projects that have  
21 established watershed improvement initiatives and community  
22 support in accordance with the department's annual lake  
23 restoration plan and report, notwithstanding section 8.57,  
24 subsection 3, paragraph "c":  
25 ..... \$ 9,600,000  
26 b. For state park infrastructure improvements:  
27 ..... \$ 5,000,000  
28 c. For water trails and low head dam safety grants,  
29 including grants for projects relating to eligible water  
30 bodies, as defined in section 456A.33C, notwithstanding section  
31 8.57, subsection 3, paragraph "c":  
32 ..... \$ 1,500,000  
33 d. For grants to communities or organizations for tree  
34 planting projects through the community forestry grant program,  
35 notwithstanding section 8.57, subsection 3, paragraph "c":

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1 ..... \$ 250,000  
2 e. For providing funding assistance to eligible  
3 communities, as described in section 455E.11, subsection 2,  
4 paragraph "a", subparagraph (1), subparagraph division (d),  
5 to address abandoned buildings by promoting waste abatement,  
6 diversion, selective dismantlement of building components,  
7 and recycling, notwithstanding section 8.57, subsection 3,  
8 paragraph "c":  
9 ..... \$ 800,000  
10 11. DEPARTMENT OF PUBLIC DEFENSE  
11 a. For major maintenance projects at national guard  
12 armories and facilities:  
13 ..... \$ 2,100,000  
14 b. For improvement projects for Iowa national guard  
15 installations and readiness centers to support operations and  
16 training requirements:  
17 ..... \$ 2,100,000  
18 c. For construction improvement projects at the Camp Dodge  
19 facility:  
20 ..... \$ 550,000  
21 d. The department of public defense shall report to the  
22 general assembly by December 15, 2025, regarding the projects  
23 the department has funded or intends to fund from moneys  
24 appropriated to the department pursuant to this subsection.  
25 12. DEPARTMENT OF PUBLIC SAFETY  
26 a. For payments and other costs due under a financing  
27 agreement entered into by the treasurer of state for building  
28 the statewide interoperable communications system pursuant to  
29 section 29C.23, subsection 2, notwithstanding section 8.57,  
30 subsection 3, paragraph "c":  
31 ..... \$ 6,486,177  
32 b. For deposit in the public safety equipment fund created  
33 in section 80.48, notwithstanding section 8.57, subsection 3,  
34 paragraph "c":  
35 ..... \$ 2,500,000

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1 13. BOARD OF REGENTS

2 a. For allocation by the state board of regents to the  
3 state university of Iowa, Iowa state university of science  
4 and technology, and the university of northern Iowa to  
5 reimburse the institutions for deficiencies in the operating  
6 funds resulting from the pledging of tuition, student fees  
7 and charges, and institutional income to finance the cost of  
8 providing academic and administrative buildings and facilities  
9 and utility services at the institutions:

10 ..... \$ 25,600,000

11 b. For the renovation and construction of the public policy  
12 center at the commons at the university of northern Iowa:

13 ..... \$ 4,720,000

14 14. DEPARTMENT OF TRANSPORTATION

15 a. For acquiring, constructing, and improving recreational  
16 trails within the state:

17 ..... \$ 2,500,000

18 b. For deposit in the public transit infrastructure grant  
19 fund created in section 324A.6A, for projects that meet  
20 the definition of vertical infrastructure in section 8.57,  
21 subsection 3, paragraph "c":

22 ..... \$ 1,500,000

23 c. For deposit in the railroad revolving loan and grant  
24 fund created in section 327H.20A, notwithstanding section 8.57,  
25 subsection 3, paragraph "c":

26 ..... \$ 2,000,000

27 d. For vertical infrastructure improvements at the  
28 commercial service airports within the state:

29 ..... \$ 1,900,000

30 e. For vertical infrastructure improvements at general  
31 aviation airports within the state:

32 ..... \$ 1,000,000

33 15. TREASURER OF STATE

34 For distribution in accordance with chapter 174 to qualified  
35 fairs that belong to the association of Iowa fairs for county

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1 fair vertical infrastructure improvements:  
2 ..... \$ 1,060,000

3 Sec. 2. REVERSION. For purposes of section 8.33, unless  
4 specifically provided otherwise, unencumbered or unobligated  
5 moneys from an appropriation made in this division of this Act  
6 shall not revert but shall remain available for expenditure for  
7 the purposes designated until the close of the fiscal year that  
8 ends two years after the end of the fiscal year for which the  
9 appropriation is made. However, if the project or projects for  
10 which such appropriation was made are completed in an earlier  
11 fiscal year, unencumbered or unobligated moneys shall revert at  
12 the close of that same fiscal year.

13 DIVISION II

14 TECHNOLOGY REINVESTMENT FUND

15 Sec. 3. TECHNOLOGY REINVESTMENT FUND. There is  
16 appropriated from the technology reinvestment fund created in  
17 section 8.57C to the following departments and agencies for the  
18 fiscal year beginning July 1, 2025, and ending June 30, 2026,  
19 the following amounts, or so much thereof as is necessary, to  
20 be used for the purposes designated:

21 1. DEPARTMENT OF CORRECTIONS

22 For technology projects and upgrades:

23 ..... \$ 3,013,466

24 2. ECONOMIC DEVELOPMENT AUTHORITY

25 For the purchase of an enterprise management system:

26 ..... \$ 5,375,000

27 3. DEPARTMENT OF EDUCATION

28 a. For the continued development and implementation of an  
29 educational data warehouse that will be utilized by teachers,  
30 parents, school district administrators, area education agency  
31 staff, department of education staff, and policymakers:

32 ..... \$ 600,000

33 Of the moneys appropriated in this lettered paragraph, the  
34 department may use a portion for an e-transcript data system  
35 capable of tracking students throughout the students' education

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- 1 via interconnectivity with multiple schools.
- 2 b. For maintenance and lease costs associated with  
3 connections for part III of the Iowa communications network:  
4 ..... \$ 2,727,000
- 5 4. DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT  
6 For the continued implementation of a statewide mass  
7 notification and emergency messaging system:  
8 ..... \$ 400,000
- 9 5. DEPARTMENT OF MANAGEMENT
- 10 a. For the continued development and implementation of  
11 a searchable database that can be placed on the internet for  
12 budget and financial information:  
13 ..... \$ 45,000
- 14 b. For the continued development and implementation of the  
15 comprehensive electronic grant management system:  
16 ..... \$ 70,000
- 17 c. For the upgrade of the local government budget and  
18 property tax system:  
19 ..... \$ 120,000
- 20 d. For the annual licensing of a searchable database that is  
21 placed on the internet for budget and financial information:  
22 ..... \$ 358,429
- 23 e. For the security office of the chief information  
24 officer, including for statewide endpoint detection and  
25 response, cybersecurity incident investigation response, and  
26 miscellaneous purposes:  
27 ..... \$ 2,947,658
- 28 f. For the cost of equipment and computer software for the  
29 continued development and implementation of Iowa's criminal  
30 justice information system:  
31 ..... \$ 1,400,000
- 32 g. For the costs associated with the justice enterprise data  
33 warehouse:  
34 ..... \$ 282,664
- 35 h. For the costs associated with the justice enterprise data

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1 warehouse transition:  
2 ..... \$ 290,000  
3 6. DEPARTMENT OF PUBLIC DEFENSE  
4 For the purchase of software relating to state active-duty  
5 tracking and for data conversion costs associated with  
6 migrating technology platforms:  
7 ..... \$ 220,000  
8 7. TREASURER OF STATE  
9 a. For the purchase of software relating to investment  
10 tracking:  
11 ..... \$ 192,000  
12 b. For the purchase of software relating to banking  
13 reconciliations:  
14 ..... \$ 228,000  
15 Sec. 4. REVERSION. For purposes of section 8.33, unless  
16 specifically provided otherwise, unencumbered or unobligated  
17 moneys from an appropriation made in this division of this Act  
18 shall not revert but shall remain available for expenditure for  
19 the purposes designated until the close of the fiscal year that  
20 ends two years after the end of the fiscal year for which the  
21 appropriation is made. However, if the project or projects for  
22 which such appropriation was made are completed in an earlier  
23 fiscal year, unencumbered or unobligated moneys shall revert at  
24 the close of that same fiscal year.  
25 Sec. 5. Section 8.57C, subsection 3, Code 2025, is amended  
26 to read as follows:  
27 3. a. There is appropriated from the general fund of the  
28 state to the technology reinvestment fund for the fiscal year  
29 beginning July 1, ~~2025~~ 2026, and for each subsequent fiscal  
30 year thereafter, the sum of seventeen million five hundred  
31 thousand dollars.  
32 b. There is appropriated from the rebuild Iowa  
33 infrastructure fund for the fiscal year beginning July 1,  
34 ~~2023~~ 2025, and ending June 30, ~~2024~~ 2026, the sum of ~~eighteen~~  
35 ~~million three hundred ninety thousand two hundred ninety~~

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1 eighteen million two hundred sixty-nine thousand two hundred  
2 seventeen dollars to the technology reinvestment fund,  
3 notwithstanding [section 8.57, subsection 3](#), paragraph "c".

4 ~~e. There is appropriated from the rebuild Iowa~~  
5 ~~infrastructure fund for the fiscal year beginning July 1, 2024,~~  
6 ~~and ending June 30, 2025, the sum of twenty-one million one~~  
7 ~~hundred thirty-one thousand eight hundred seventy-three dollars~~  
8 ~~to the technology reinvestment fund, notwithstanding section~~  
9 ~~8.57, subsection 3, paragraph "c".~~

10

DIVISION III

11

CHANGES TO PRIOR APPROPRIATIONS

12 Sec. 6. 2021 Iowa Acts, chapter 167, section 2, as amended  
13 by 2023 Iowa Acts, chapter 118, section 6, and 2024 Iowa Acts,  
14 chapter 1155, section 7, is amended to read as follows:

15 SEC. 2. REVERSION.

16 1. Except as provided in subsection 2, for purposes  
17 of [section 8.33](#), unless specifically provided otherwise,  
18 unencumbered or unobligated moneys from an appropriation made  
19 in this division of this Act shall not revert but shall remain  
20 available for expenditure for the purposes designated until the  
21 close of the fiscal year that ends two years after the end of  
22 the fiscal year for which the appropriation is made. However,  
23 if the project or projects for which such appropriation was  
24 made are completed in an earlier fiscal year, unencumbered  
25 or unobligated moneys shall revert at the close of that same  
26 fiscal year.

27 2. a. For purposes of [section 8.33](#), unless specifically  
28 provided otherwise, unencumbered or unobligated moneys from  
29 an appropriation made in section 1, subsection 10, paragraph  
30 "d", of this division of this 2021 Iowa Act, as amended by 2022  
31 Iowa Acts, chapter 1150, section 11, shall not revert but shall  
32 remain available for expenditure for the purposes designated  
33 until the project for which the appropriation was made is  
34 completed.

35 b. For purposes of [section 8.33](#), unencumbered or

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1 unobligated moneys from an appropriation made in section 1,  
2 subsection 4, of this division of this 2021 Iowa Act, shall  
3 not revert but shall remain available for expenditure for the  
4 purposes designated until the close of the fiscal year that  
5 ends ~~three~~ four years after the end of the fiscal year for  
6 which the appropriation is made, or until the project for which  
7 the appropriation was made is completed, whichever is earlier.

8 c. For purposes of [section 8.33](#), unencumbered or  
9 unobligated moneys from an appropriation made in section 1,  
10 subsection 16, of this division of this 2021 Iowa Act, as  
11 amended by this 2024 Iowa Act, shall not revert but shall  
12 remain available for expenditure for the purposes designated  
13 until the close of the fiscal year that ends three years after  
14 the end of the fiscal year for which the appropriation is made,  
15 or until the project for which the appropriation was made is  
16 completed, whichever is earlier.

17 Sec. 7. 2022 Iowa Acts, chapter 1150, section 2, as amended  
18 by 2024 Iowa Acts, chapter 1155, section 9, is amended to read  
19 as follows:

20 SEC. 2. REVERSION.

21 1. For purposes of [section 8.33](#), unless specifically  
22 provided in subsection 2 or otherwise, unencumbered or  
23 unobligated moneys from an appropriation made in this division  
24 of this Act shall not revert but shall remain available for  
25 expenditure for the purposes designated until the close of  
26 the fiscal year that ends two years after the end of the  
27 fiscal year for which the appropriation is made. However,  
28 if the project or projects for which such appropriation was  
29 made are completed in an earlier fiscal year, unencumbered  
30 or unobligated moneys shall revert at the close of that same  
31 fiscal year.

32 2. For purposes of [section 8.33](#), unencumbered or  
33 unobligated moneys from an appropriation made in section 1,  
34 subsection 4, of this division of this 2022 Iowa Act, shall  
35 not revert but shall remain available for expenditure for the

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1 purposes designated until the close of the fiscal year that  
2 ends ~~three~~ four years after the end of the fiscal year for  
3 which the appropriation is made, or until the project for which  
4 the appropriation was made is completed, whichever is earlier.

5 Sec. 8. EFFECTIVE DATE. This division of this Act, being  
6 deemed of immediate importance, takes effect upon enactment.

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with  
9 the explanation's substance by the members of the general assembly.

10 This bill relates to and makes appropriations from the  
11 rebuild Iowa infrastructure fund (RIIF) and the technology  
12 reinvestment fund (TRF). The bill is organized by divisions.

13 REBUILD IOWA INFRASTRUCTURE FUND. This division  
14 appropriates project funding for FY 2025-2026 from RIIF for  
15 projects for the departments of administrative services,  
16 agriculture and land stewardship, the blind, corrections,  
17 natural resources, public defense, public safety, and  
18 transportation, and for the economic development authority,  
19 Iowa communications network, Iowa law enforcement academy, Iowa  
20 state fair authority, judicial branch, board of regents, and  
21 treasurer of state.

22 TECHNOLOGY REINVESTMENT FUND. This division appropriates  
23 project funding for FY 2025-2026 from TRF for projects for  
24 the departments of corrections, education, homeland security  
25 and emergency management, management, and public defense,  
26 and for the economic development authority and treasurer of  
27 state. Code section 8.57C (TRF) is amended to provide that the  
28 standing appropriation to TRF from the general fund for fiscal  
29 years beginning on or after July 1, 2025, is changed to fiscal  
30 years beginning on or after July 1, 2026, and to provide for an  
31 appropriation to TRF from RIIF for FY 2025-2026.

32 CHANGES TO PRIOR APPROPRIATIONS. This division delays the  
33 reversion of the following: an FY 2021-2022 appropriation  
34 from RIIF to the department of corrections for the remodel and  
35 expansion of the kitchen and visitation areas at the Clarinda

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1 treatment complex, and an FY 2022-2023 appropriation from RIIF  
2 to the department of corrections for kitchen equipment at the  
3 Clarinda treatment complex and various infrastructure projects  
4 at correctional facilities. These provisions take effect upon  
5 enactment.

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**Senate Study Bill 1219 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED GOVERNOR BUDGET  
BILL)

**A BILL FOR**

1 An Act relating to transportation and other  
2 infrastructure-related appropriations to the department  
3 of transportation, including allocation and use of moneys  
4 from the road use tax fund, the primary road fund, and the  
5 statutory allocations fund.

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

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1 Section 1. ROAD USE TAX FUND — FY 2025-2026. There is  
2 appropriated from the road use tax fund created in section  
3 312.1 to the department of transportation for the fiscal year  
4 beginning July 1, 2025, and ending June 30, 2026, the following  
5 amounts, or so much thereof as is necessary, to be used for the  
6 purposes designated:

7 1. For salaries, support, maintenance, and miscellaneous  
8 purposes:

9 a. Transportation operations:

10 ..... \$ 17,611,473

11 b. Motor vehicles:

12 ..... \$ 32,710,876

13 2. For payments to the department of administrative  
14 services and the department of management for utility services:

15 ..... \$ 500,878

16 3. For unemployment compensation:

17 ..... \$ 7,000

18 4. For payments to the department of administrative  
19 services for paying workers' compensation claims under chapter  
20 85 on behalf of employees of the department of transportation:

21 ..... \$ 153,679

22 5. For payment to the general fund of the state for indirect  
23 cost recoveries:

24 ..... \$ 90,000

25 6. For reimbursement to the auditor of state for audit  
26 expenses as provided in [section 11.5B](#):

27 ..... \$ 107,884

28 7. For automation, telecommunications, and related costs  
29 associated with the county issuance of driver's licenses and  
30 vehicle registrations and titles:

31 ..... \$ 1,406,000

32 8. For costs associated with participation in the  
33 Mississippi river parkway commission:

34 ..... \$ 40,000

35 9. For costs associated with the traffic and criminal

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1 software program and the mobile architecture and communications  
2 handling program:

3 ..... \$ 300,000

4 10. For motor vehicle division field facility maintenance  
5 projects at various locations:

6 ..... \$ 400,000

7 11. For costs associated with motor vehicle division  
8 systems modernization:

9 ..... \$ 20,000,000

10 For purposes of [section 8.33](#), unless specifically provided  
11 otherwise, moneys appropriated in subsections 10 and 11 that  
12 remain unencumbered or unobligated shall not revert but shall  
13 remain available for expenditure for the purposes designated  
14 until the close of the fiscal year that ends three years  
15 after the end of the fiscal year for which the appropriation  
16 was made. However, if the project or projects for which the  
17 appropriation was made are completed in an earlier fiscal year,  
18 unencumbered or unobligated moneys shall revert at the close of  
19 that same fiscal year.

20 Sec. 2. PRIMARY ROAD FUND — FY 2025-2026. There is  
21 appropriated from the primary road fund created in section  
22 313.3 to the department of transportation for the fiscal year  
23 beginning July 1, 2025, and ending June 30, 2026, the following  
24 amounts, or so much thereof as is necessary, to be used for the  
25 purposes designated:

26 1. For transportation operations salaries, support,  
27 maintenance, and miscellaneous purposes:

28 ..... \$346,489,821

29 2. For payments to the department of administrative  
30 services and the department of management for utility services:

31 ..... \$ 3,076,822

32 3. For unemployment compensation:

33 ..... \$ 138,000

34 4. For payments to the department of administrative  
35 services for paying workers' compensation claims under

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1 chapter 85 on behalf of the employees of the department of  
2 transportation:  
3 ..... \$ 3,726,405  
4 5. For payment to the general fund of the state for indirect  
5 cost recoveries:  
6 ..... \$ 660,000  
7 6. For reimbursement to the auditor of state for audit  
8 expenses as provided in [section 11.5B](#):  
9 ..... \$ 662,716  
10 7. For inventory and equipment replacement:  
11 ..... \$ 40,818,240  
12 8. For costs associated with the statewide interoperability  
13 network:  
14 ..... \$ 442,162  
15 9. For facility major maintenance and enhancement:  
16 ..... \$ 6,300,000  
17 10. For facility routine maintenance and preservation:  
18 ..... \$ 8,050,000  
19 11. For renovation of the Waterloo maintenance garage:  
20 ..... \$ 18,897,387  
21 For purposes of [section 8.33](#), unless specifically provided  
22 otherwise, moneys appropriated in subsections 9 through 11 that  
23 remain unencumbered or unobligated shall not revert but shall  
24 remain available for expenditure for the purposes designated  
25 until the close of the fiscal year that ends three years after  
26 the end of the fiscal year for which the appropriation was  
27 made. However, if the project or projects for which such  
28 appropriation was made are completed in an earlier fiscal year,  
29 unencumbered or unobligated moneys shall revert at the close of  
30 that same fiscal year.  
31 Sec. 3. Section 321.145, subsection 2, paragraph a, Code  
32 2025, is amended by adding the following new subparagraph:  
33 NEW SUBPARAGRAPH. (4) An amount necessary for the payment  
34 of costs associated with producing and distributing driver's  
35 licenses and nonoperator's identification cards, not to exceed

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1 revenues derived from fees charged for driver's licenses and  
2 nonoperator's identification cards, is appropriated to the  
3 department for that purpose.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with  
6 the explanation's substance by the members of the general assembly.

7 This bill makes appropriations from the road use tax fund,  
8 the primary road fund, and the statutory allocations fund to  
9 the department of transportation (DOT).

10 Appropriations for FY 2025-2026 from the road use tax  
11 fund include appropriations for transportation operations,  
12 motor vehicles, utility services, unemployment and workers'  
13 compensation, indirect cost recoveries, audits, county issuance  
14 of driver's licenses and vehicle registration and titling,  
15 participation in the Mississippi river parkway commission,  
16 the traffic and criminal software program and the mobile  
17 architecture and communications handling program, and motor  
18 vehicle division field facility maintenance projects and  
19 systems modernization.

20 Appropriations for FY 2025-2026 from the primary road fund  
21 include appropriations for transportation operations, utility  
22 services, unemployment and workers' compensation, indirect cost  
23 recoveries, audits, inventory and equipment replacement, the  
24 statewide interoperability network, major facility maintenance  
25 and enhancement, routine facility maintenance and preservation,  
26 and renovation of the Waterloo maintenance garage.

27 The bill amends Code section 321.145 relating to the  
28 disposition of moneys from the statutory allocations fund  
29 (SAF). Under current law, revenues derived from trailer  
30 registration fees, fees charged for driver's licenses and  
31 nonoperator's identification cards, fees charged for commercial  
32 driver's license driving skills tests, fees charged for the  
33 issuance of a certificate of title, the certificate of title  
34 surcharge, revenues derived from the imposition of a use tax on  
35 vehicles subject only to the issuance of a certificate of title

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1 and manufactured housing, and revenues arising from automobile  
2 rental excise taxes are deposited in the SAF. Current law  
3 credits SAF moneys to the DOT to be used for purposes of public  
4 transit assistance, to the motorcycle rider education fund,  
5 and for the various purposes specified in Code section 321.34  
6 relating to special registration plate fees. Any revenues  
7 remaining in the SAF are credited to the road use tax fund.  
8 The bill provides a standing appropriation from the SAF  
9 to the DOT for an amount necessary for the payment of costs  
10 associated with producing and distributing driver's licenses  
11 and nonoperator's identification cards, not to exceed SAF  
12 revenues derived from fees charged for driver's licenses and  
13 nonoperator's identification cards. By operation of law,  
14 unused moneys from the appropriation would revert to the SAF  
15 and be credited to the road use tax fund in accordance with  
16 current law. In previous fiscal years, the general assembly  
17 annually appropriated moneys from the road use tax fund to the  
18 DOT for the payment of costs associated with the production of  
19 driver's licenses.

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**Senate Study Bill 1220 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_

BY (PROPOSED GOVERNOR BUDGET  
BILL)

**A BILL FOR**

1 An Act relating to and making appropriations involving state  
2 government entities associated with agriculture, natural  
3 resources, and environmental protection.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Section 1. GENERAL FUND.

1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department, including its divisions, for administration, regulation, and programs, and for salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 20,377,294

2. Of the amount appropriated in subsection 1, the following amount is transferred to Iowa state university of science and technology, to be used for the university's midwest grape and wine industry institute:

..... \$ 325,000

3. The department shall submit a report each quarter of the fiscal year to the general assembly and the department of management. The report shall describe in detail the expenditure of moneys appropriated in this section to support the department's administration, regulation, and programs.

Sec. 2. 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, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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:  
..... \$ 305,516

Sec. 3. RENEWABLE FUEL INFRASTRUCTURE FUND — MOTOR

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1 FUEL INSPECTION. There is appropriated from the renewable  
2 fuel infrastructure fund created in [section 159A.16](#) to the  
3 department of agriculture and land stewardship for the fiscal  
4 year beginning July 1, 2025, and ending June 30, 2026, the  
5 following amount, or so much thereof as is necessary, to be  
6 used for the purposes designated:

7 For purposes of the inspection of motor fuel, including  
8 salaries, support, maintenance, and miscellaneous purposes:  
9 ..... \$ 500,000

10 Sec. 4. SKILLED WORKER AND JOB CREATION FUND — BUTCHERY  
11 INNOVATION AND REVITALIZATION PROGRAM.

12 1. There is appropriated from the Iowa skilled worker and  
13 job creation fund created in section 8.57J to the department of  
14 agriculture and land stewardship for the fiscal year beginning  
15 July 1, 2025, and ending June 30, 2026, the following amount,  
16 or so much thereof as is necessary, to be used for the purposes  
17 designated:

18 For support of the butchery innovation and revitalization  
19 program established pursuant to 2024 Iowa Acts, chapter  
20 1148, section 28, to award financial assistance to eligible  
21 businesses for projects based on criteria described in section  
22 15E.370:  
23 ..... \$ 249,695

24 2. The department may use not more than 5 percent of the  
25 moneys appropriated in subsection 1 to pay for the costs of  
26 administering the program described in subsection 1.

27 3. Notwithstanding section 8.33, moneys appropriated in  
28 subsection 1 that remain unencumbered or unobligated at the  
29 close of the fiscal year shall not revert but shall remain  
30 available for expenditure for the purposes designated until the  
31 close of the fiscal year beginning July 1, 2027.

32 Sec. 5. SPECIAL APPROPRIATIONS FROM GENERAL FUND TO  
33 DEPARTMENT. There is appropriated from the general fund of the  
34 state to the department of agriculture and land stewardship  
35 for the fiscal year beginning July 1, 2025, and ending June

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1 30, 2026, the following amounts, or so much thereof as is  
2 necessary, to be used for the purposes designated:

3 1. DAIRY REGULATION

4 a. For purposes of performing functions pursuant to section  
5 192.109, including conducting a survey of grade "A" milk and  
6 certifying the results to the secretary of agriculture:

7 ..... \$ 189,196

8 b. Notwithstanding [section 8.33](#), moneys appropriated in  
9 this subsection that remain unencumbered or unobligated at the  
10 close of the fiscal year shall not revert but shall remain  
11 available for expenditure for the purposes designated until the  
12 close of the succeeding fiscal year.

13 2. LOCAL FOOD AND FARM PROGRAM

14 a. For purposes of supporting the local food and farm  
15 program pursuant to [chapter 267A](#):

16 ..... \$ 75,000

17 b. The department shall enter into a cost-sharing agreement  
18 with Iowa state university of science and technology to support  
19 the local food and farm program coordinator position as part of  
20 the university's cooperative extension service in agriculture  
21 and home economics pursuant to [chapter 267A](#).

22 c. Notwithstanding [section 8.33](#), moneys appropriated in  
23 this subsection that remain unencumbered or unobligated at the  
24 close of the fiscal year shall not revert but shall remain  
25 available for expenditure for the purposes designated until the  
26 close of the succeeding fiscal year.

27 3. AGRICULTURAL EDUCATION

28 a. For purposes of allocating moneys to an Iowa association  
29 affiliated with a national organization that promotes  
30 agricultural education providing for future farmers:

31 ..... \$ 150,000

32 b. Notwithstanding [section 8.33](#), moneys appropriated in  
33 this subsection that remain unencumbered or unobligated at the  
34 close of the fiscal year shall not revert but shall remain  
35 available for expenditure for the purposes designated until the

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1 close of the succeeding fiscal year.

2 4. FOREIGN ANIMAL DISEASES AFFLICTING LIVESTOCK

3 a. For deposit in the foreign animal disease preparedness  
4 and response fund created in section 163.3B to further  
5 implement a foreign animal disease preparedness and response  
6 strategy as described in section 163.3C:

7 ..... \$ 1,050,000

8 b. For deposit in the foreign animal disease preparedness  
9 and response fund created in section 163.3B, for purposes  
10 of purchasing and maintaining equipment to further the  
11 implementation of the foreign animal disease preparedness and  
12 response strategy developed under section 163.3C:

13 ..... \$ 250,000

14 c. For deposit in the foreign animal disease preparedness  
15 and response fund created in section 163.3B, for purposes of  
16 assisting in the development of vaccines against foreign animal  
17 diseases by a company based in Iowa that develops livestock and  
18 other animal vaccines:

19 ..... \$ 500,000

20 5. FARMERS WITH DISABILITIES PROGRAM

21 a. For purposes of supporting a program for farmers with  
22 disabilities:

23 ..... \$ 230,000

24 b. The moneys appropriated in this subsection shall be  
25 used for the public purpose of providing a grant to a national  
26 nonprofit organization with over 80 years of experience in  
27 assisting children and adults with disabilities and special  
28 needs. The moneys shall be used to support a nationally  
29 recognized program that began in 1986 and has been replicated  
30 in at least 30 other states, but is not available through  
31 any other entity in this state, and that provides assistance  
32 to farmers with disabilities in all 99 counties to allow the  
33 farmers to remain in their own homes and be gainfully engaged  
34 in farming through provision of agricultural worksite and home  
35 modification consultations, peer support services, services

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1 to families, information and referral, and equipment loan  
2 services.

3 c. Notwithstanding [section 8.33](#), moneys appropriated in  
4 this subsection that remain unencumbered or unobligated at the  
5 close of the fiscal year shall not revert but shall remain  
6 available for expenditure for the purposes designated until the  
7 close of the succeeding fiscal year.

8 6. LOESS HILLS DEVELOPMENT AND CONSERVATION FUND

9 a. For deposit in the loess hills development and  
10 conservation fund created pursuant to [section 161D.2](#):  
11 ..... \$ 400,000

12 b. (1) Of the amount appropriated in this subsection,  
13 \$360,000 shall be allocated to the fund's hungry canyons  
14 account.

15 (2) Not more than 10 percent of the moneys allocated in this  
16 paragraph may be used for administrative costs.

17 c. (1) Of the amount appropriated in this subsection,  
18 \$40,000 shall be allocated to the fund's loess hills alliance  
19 account.

20 (2) Not more than 10 percent of the moneys allocated in this  
21 paragraph may be used for administrative costs.

22 7. SOUTHERN IOWA DEVELOPMENT AND CONSERVATION FUND

23 a. For deposit in the southern Iowa development and  
24 conservation fund created pursuant to [section 161D.12](#):  
25 ..... \$ 200,000

26 b. Not more than 10 percent of the moneys appropriated in  
27 this subsection may be used for administrative costs.

28 8. GRAIN REGULATION

29 For the administration and enforcement of [chapters 203](#)  
30 and [203C](#), including salaries, support, maintenance, and  
31 miscellaneous purposes:

32 ..... \$ 350,000

33 9. CHOOSE IOWA FUND

34 a. For deposit in the choose Iowa fund created in section  
35 187.201:

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1 ..... \$ 1,813,000

2 b. (1) Of the amount appropriated in this subsection,  
3 the department shall use \$463,000 to support the value-added  
4 agricultural grant program created in section 187.321.

5 (2) Of the amount appropriated in this subsection, the  
6 department shall use \$600,000 to support the choose Iowa  
7 promotional program as provided in chapter 187, subchapter III,  
8 part 1.

9 (3) Of the amount appropriated in this subsection, the  
10 department shall use \$750,000 to support the dairy innovation  
11 and revitalization program created in section 187.311.

12 c. The department may increase or decrease the amount of  
13 moneys used to support a program described in paragraph "b"  
14 based on the amount of moneys awarded to persons participating  
15 in the program. The department shall publish a notice of the  
16 department's action to increase or decrease the amount on the  
17 department's internet site where the programs are advertised at  
18 least thirty days prior to the day that the department takes  
19 such action.

20 10. MARKET REPORTING

21 a. For purposes of continuing data collection and reporting  
22 for a daily grain or livestock report:

23 ..... \$ 200,000

24 b. The department shall report data at a minimum at  
25 the county level and make the report available for public  
26 consumption.

27 11. CHOOSE IOWA FOOD PURCHASING PILOT PROJECT

28 a. For purposes of supporting the choose Iowa food  
29 purchasing pilot project to assist eligible participants in  
30 purchasing qualified food products pursuant to section 187.304:

31 ..... \$ 200,000

32 b. Notwithstanding section 8.33, moneys appropriated in  
33 this subsection that remain unencumbered or unobligated at the  
34 close of the fiscal year shall not revert but shall remain  
35 available for expenditure for the purposes designated until the

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1 close of the succeeding fiscal year.

2 Sec. 6. NEW SECTION. 187.304 Choose Iowa food purchasing  
3 pilot project.

4 1. There is created within the department a choose Iowa food  
5 purchasing pilot project as described in 2024 Iowa Acts, ch.  
6 1148, §5.

7 2. Except as provided in subsection 3, the department  
8 shall administer the pilot project based on the farm-to-school  
9 program described in chapter 190A, in which the department  
10 reimburses a school or school district for the purchase of a  
11 food product originating from a farm source.

12 3. The department shall administer the pilot project  
13 according to all of the following:

14 a. A farm or business that owns or operates the farm source  
15 shall be given a preference to participate in the pilot project  
16 if the farm or business is currently participating in the  
17 choose Iowa promotional program as provided in this part 1 of  
18 subchapter III. Otherwise, a farm or business may participate  
19 in the pilot project if the farm or business has applied to  
20 participate in the choose Iowa promotional program and the  
21 department determines that the application will be approved.

22 b. An eligible participant is limited to any of the  
23 following:

24 (1) A public or private school or a school district, if the  
25 public or private school or school district is not currently  
26 participating in the farm-to-school program.

27 (2) An Iowa food bank or an Iowa emergency feeding  
28 organization, recognized by the department.

29 c. A qualified food product is limited to the following:

30 (1) For a school or school district, meat and poultry, dairy  
31 products other than milk, eggs, honey, and produce.

32 (2) For an Iowa food bank or Iowa emergency feeding  
33 organization, meat and poultry, dairy products, eggs, honey,  
34 and produce.

35 d. The department is not required to follow a requirement in

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1 chapter 190A that the department determines is not practical  
2 for the pilot project.

3 4. a. Of the moneys appropriated to support the pilot  
4 project in a fiscal year, not more than one hundred thousand  
5 dollars shall be used to reimburse schools or school districts  
6 and not more than one hundred fifty thousand dollars shall be  
7 used to reimburse Iowa food banks and Iowa emergency feeding  
8 organizations.

9 b. An eligible participant shall be reimbursed on a matching  
10 basis with the department contributing one dollar for every one  
11 dollar expended by the eligible participant.

12 c. (1) A school or school district shall not receive more  
13 than one thousand dollars per fiscal year for participating in  
14 the pilot project.

15 (2) An Iowa food bank or Iowa emergency feeding organization  
16 shall not receive more than twenty-five thousand dollars per  
17 fiscal year for participating in the pilot project.

18 5. The department may use not more than five percent of the  
19 moneys appropriated to support the pilot project in a fiscal  
20 year to pay for the costs of administering the pilot project.

21 6. The department shall prepare and submit a report  
22 regarding its findings and recommendations to the governor and  
23 general assembly not later than January 15 of each year.

24 7. This section is repealed July 1, 2030.

25 DIVISION II

26 DEPARTMENT OF NATURAL RESOURCES

27 Sec. 7. GENERAL FUND.

28 1. There is appropriated from the general fund of the state  
29 to the department of natural resources for the fiscal year  
30 beginning July 1, 2025, and ending June 30, 2026, the following  
31 amount, or so much thereof as is necessary, to be used for the  
32 purposes designated:

33 For purposes of supporting the department, including its  
34 divisions, for administration, regulation, and programs, and  
35 for salaries, support, maintenance, and miscellaneous purposes:

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1 ..... \$ 12,816,738

2 2. The department shall submit a report each quarter of  
3 the fiscal year to the general assembly and the department  
4 of management. The report shall describe in detail the  
5 expenditure of moneys appropriated under this section to  
6 support the department's administration, regulation, and  
7 programs.

8 Sec. 8. STATE FISH AND GAME PROTECTION FUND — REGULATION  
9 AND ADVANCEMENT OF OUTDOOR ACTIVITIES.

10 1. There is appropriated from the state fish and game  
11 protection fund created pursuant to [section 456A.17](#) to the  
12 department of natural resources for the fiscal year beginning  
13 July 1, 2025, and ending June 30, 2026, the following amount,  
14 or so much thereof as is necessary, to be used for the purposes  
15 designated:

16 For purposes of supporting the regulation or advancement of  
17 hunting, fishing, or trapping, or the protection, propagation,  
18 restoration, management, or harvest of fish or wildlife,  
19 including for administration, regulation, law enforcement, and  
20 programs; and for salaries, support, maintenance, equipment,  
21 and miscellaneous purposes:

22 ..... \$ 51,404,790

23 2. Notwithstanding [section 455A.10](#), the department may use  
24 the unappropriated balance remaining in the state fish and game  
25 protection fund to provide for the funding of health and life  
26 insurance premium payments from unused sick leave balances of  
27 conservation peace officers employed in a protection occupation  
28 who retire, pursuant to [section 97B.49B](#).

29 3. Notwithstanding [section 455A.10](#), the department may  
30 use the unappropriated balance remaining in the state fish  
31 and game protection fund for the fiscal year beginning July  
32 1, 2025, and ending June 30, 2026, as is necessary to fund  
33 salary adjustments for departmental employees for which the  
34 general assembly has made an operating budget appropriation in  
35 subsection 1.

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1     Sec. 9. GROUNDWATER PROTECTION FUND — WATER QUALITY. There  
2 is appropriated from the groundwater protection fund created  
3 in [section 455E.11](#) to the department of natural resources for  
4 the fiscal year beginning July 1, 2025, and ending June 30,  
5 2026, from those moneys that are not allocated pursuant to  
6 that section, the following amount, or so much thereof as is  
7 necessary, to be used for the purposes designated:

8     For purposes of supporting the department's protection  
9 of the state's groundwater, including for administration,  
10 regulation, and programs, and for salaries, support,  
11 maintenance, equipment, and miscellaneous purposes:  
12 ..... \$ 3,455,850

13     Sec. 10. SPECIAL SNOWMOBILE FUND — SNOWMOBILE  
14 PROGRAM. There is appropriated from the special snowmobile  
15 fund created under [section 321G.7](#) to the department of natural  
16 resources for the fiscal year beginning July 1, 2025, and  
17 ending June 30, 2026, the following amount, or so much thereof  
18 as is necessary, to be used for the purposes designated:

19     For purposes of administering and enforcing the state  
20 snowmobile programs:  
21 ..... \$ 100,000

22     Sec. 11. SPECIAL APPROPRIATIONS FROM GENERAL FUND TO  
23 DEPARTMENT. There is appropriated from the general fund of the  
24 state to the department of natural resources for the fiscal  
25 year beginning July 1, 2025, and ending June 30, 2026, the  
26 following amounts, or so much thereof as is necessary, to be  
27 used for the purposes designated:

28     1. FLOODPLAIN MANAGEMENT AND DAM SAFETY  
29     a. For purposes of supporting floodplain management and dam  
30 safety:  
31 ..... \$ 1,510,000

32     b. Of the amount appropriated in this subsection, up to  
33 \$400,000 may be used by the department to acquire or install  
34 stream gages for purposes of tracking and predicting flood  
35 events and for compiling necessary data to improve flood

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1 frequency analysis.

2 c. Notwithstanding section 8.33, moneys appropriated in  
3 this subsection that remain unencumbered or unobligated at the  
4 close of the fiscal year shall not revert but shall remain  
5 available for expenditure for the purposes designated until the  
6 close of the succeeding fiscal year.

7 2. FORESTRY HEALTH MANAGEMENT

8 a. For purposes of providing for forestry health management  
9 programs:

10 ..... \$ 525,000

11 b. Notwithstanding section 8.33, moneys appropriated in  
12 this subsection that remain unencumbered or unobligated at the  
13 close of the fiscal year shall not revert but shall remain  
14 available for expenditure for the purposes designated until the  
15 close of the succeeding fiscal year.

16 3. STATE PARK OPERATIONS

17 For supporting operations at state parks, including  
18 maintenance and repair of grounds and facilities:

19 ..... \$ 1,000,000

20 DIVISION III

21 IOWA STATE UNIVERSITY

22 Sec. 12. SPECIAL GENERAL FUND APPROPRIATIONS. There is  
23 appropriated from the general fund of the state to Iowa state  
24 university of science and technology for the fiscal year  
25 beginning July 1, 2025, and ending June 30, 2026, the following  
26 amounts, or so much thereof as is necessary, to be used for the  
27 purposes designated:

28 1. VETERINARY DIAGNOSTIC LABORATORY

29 a. For purposes of supporting the college of veterinary  
30 medicine for the operation of the veterinary diagnostic  
31 laboratory:

32 ..... \$ 5,500,000

33 b. (1) Iowa state university of science and technology  
34 shall not reduce the amount that it allocates to support the  
35 college of veterinary medicine from any other source due to the

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1 appropriation made in this subsection.

2 (2) Subparagraph (1) does not apply to a reduction made  
3 to support the college of veterinary medicine if the same  
4 percentage of reduction imposed on the college of veterinary  
5 medicine is also imposed on all of Iowa state university of  
6 science and technology's budget units.

7 c. If by June 30, 2026, Iowa state university of science  
8 and technology fails to allocate the moneys appropriated in  
9 this subsection to the college of veterinary medicine in  
10 accordance with this subsection, the moneys appropriated in  
11 this subsection for that fiscal year shall revert to the  
12 general fund of the state.

13 2. MANAGEMENT OF PRIVATE FORESTS

14 a. For purposes of supporting the Iowa cooperative  
15 extension service in agriculture and home economics in  
16 providing technical support to landowners and loggers regarding  
17 the management of private forests in northeast Iowa:

18 ..... \$ 150,000

19 b. The department of natural resources shall cooperate with  
20 the Iowa cooperative extension service in agriculture and home  
21 economics in administering this subsection.

22 3. LIVESTOCK DISEASE RESEARCH

23 a. For deposit in the livestock disease research fund  
24 created in [section 267.8](#):

25 ..... \$ 291,390

26 b. Moneys appropriated under this subsection shall be used  
27 by Iowa state university of science and technology to support  
28 animal disease research in areas of importance to livestock  
29 producers.

30 Sec. 13. IOWA NUTRIENT REDUCTION FUND — VETERINARY  
31 DIAGNOSTIC LABORATORY. Notwithstanding section 466B.46, there  
32 is appropriated from the Iowa nutrient research fund created  
33 in section 466B.46 to Iowa state university of science and  
34 technology for the fiscal year beginning July 1, 2025, and  
35 ending June 30, 2026, the following amount, or so much thereof

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1 as is necessary, to be used for the purposes designated:

2 For purposes of supporting the college of veterinary  
3 medicine for the operation of the veterinary diagnostic  
4 laboratory:

5 ..... \$ 120,000

6 DIVISION IV

7 STATE UNIVERSITY OF IOWA

8 Sec. 14. IOWA'S CENTER FOR AGRICULTURAL SAFETY AND HEALTH  
9 (I-CASH).

10 1. There is appropriated from the general fund of the state  
11 to the state university of Iowa for the fiscal year beginning  
12 July 1, 2025, and ending June 30, 2026, the following amount,  
13 or so much thereof as is necessary, to be used for the purposes  
14 designated:

15 For supporting the operations of Iowa's center for  
16 agricultural safety and health, as part of the university's  
17 college of public health, and in cooperation with the  
18 department of agriculture and land stewardship, to anticipate,  
19 recognize, and prevent occupational illness and injury among  
20 members of the agricultural community:

21 ..... \$ 128,154

22 2. a. As a condition of the appropriation made in  
23 subsection 1, the state university of Iowa shall retain the  
24 director of Iowa's center for agricultural safety and health  
25 employed on the effective date of this division of this Act for  
26 at least the same number of hours for the fiscal year beginning  
27 July 1, 2025, as worked by the director during the fiscal year  
28 beginning July 1, 2024.

29 b. As a condition of the appropriation made in subsection  
30 1, the state university of Iowa shall not reduce the amount  
31 allocated to support Iowa's center for agricultural safety and  
32 health from any other source due to the appropriation made in  
33 subsection 1.

34 3. If by June 30, 2026, the state university of Iowa fails  
35 to use the moneys appropriated in subsection 1 in accordance

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1 with the purposes and conditions of subsections 1 and 2, any  
2 unencumbered or unobligated moneys appropriated in subsection  
3 1 for the fiscal year beginning July 1, 2025, and ending June  
4 30, 2026, shall revert to the general fund of the state. In  
5 addition, if moneys revert as required pursuant to section  
6 8.33, the state university of Iowa shall transfer to the  
7 general fund of the state from any otherwise unencumbered or  
8 unobligated moneys from any other general fund appropriation or  
9 from any moneys available from other funding sources an amount  
10 equal to the amount appropriated in subsection 1 less any  
11 amount that reverted to the general fund of the state pursuant  
12 to [section 8.33](#).

13 DIVISION V

14 ENVIRONMENT FIRST FUND — GENERAL APPROPRIATIONS

15 Sec. 15. DEPARTMENT OF AGRICULTURE AND LAND

16 STEWARDSHIP. There is appropriated from the environment first  
17 fund created in [section 8.57A](#) to the department of agriculture  
18 and land stewardship for the fiscal year beginning July 1,  
19 2025, and ending June 30, 2026, the following amounts, or so  
20 much thereof as is necessary, to be used for the purposes  
21 designated:

22 1. CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP)

23 a. For the conservation reserve enhancement program to  
24 restore and construct wetlands for the purposes of intercepting  
25 tile line runoff, reducing nutrient loss, improving water  
26 quality, and enhancing agricultural production practices:  
27 ..... \$ 1,000,000

28 b. Not more than 10 percent of the moneys appropriated  
29 in paragraph "a" may be used for costs of administration and  
30 implementation of soil and water conservation practices.

31 c. Notwithstanding any other provision of law, the  
32 department may use moneys appropriated in this subsection,  
33 in combination with other appropriate environment first  
34 fund appropriations, for cost sharing to match United States  
35 department of agriculture, natural resources conservation

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1 service, wetlands reserve enhancement program (WREP) funding  
2 available to Iowa.

3 2. WATERSHED PROTECTION

4 a. For continuation of a program that provides  
5 multiobjective resource protections for flood control, water  
6 quality, erosion control, and natural resource conservation:  
7 ..... \$ 900,000

8 b. Not more than 10 percent of the moneys appropriated  
9 in paragraph "a" may be used for costs of administration and  
10 implementation of soil and water conservation practices.

11 3. CONSERVATION RESERVE PROGRAM (CRP)

12 a. To encourage and assist farmers in enrolling in and the  
13 implementation of the federal conservation reserve program and  
14 to work with them to enhance their revegetation efforts to  
15 improve water quality and habitat:  
16 ..... \$ 900,000

17 b. Not more than 10 percent of the moneys appropriated  
18 in paragraph "a" may be used for costs of administration and  
19 implementation of soil and water conservation practices.

20 4. SOIL AND WATER CONSERVATION

21 a. For use by the department in providing for soil and water  
22 conservation:  
23 ..... \$ 8,325,000

24 b. (1) Of the amount appropriated in paragraph "a", for  
25 transfer to the hungry canyons account of the loess hills  
26 development and conservation fund created in [section 161D.2](#):  
27 ..... \$ 140,000

28 (2) Not more than 10 percent of the moneys transferred in  
29 subparagraph (1) may be used for administrative costs.

30 c. Of the remaining amount appropriated in paragraph "a",  
31 for use by the department in providing for soil and water  
32 conservation administration, the conservation of soil and  
33 water resources, or the support of soil and water conservation  
34 districts:  
35 ..... \$ 8,185,000

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1 d. Of the amount appropriated in paragraph "c" that the  
2 department allocates to a soil and water conservation district,  
3 the first \$15,000 may be expended by the district for the  
4 purpose of providing financial incentives under [section 161A.73](#)  
5 to establish management practices for the control of soil  
6 erosion on land that is row-cropped, including but not limited  
7 to nontill planting, ridge-till planting, and contouring  
8 strip-cropping. Of any remaining amount of that appropriation  
9 allocated by the department to a district, 30 percent may be  
10 expended by the district for that same purpose.

11 e. Not more than 5 percent of the moneys appropriated in  
12 paragraph "c" may be allocated for cost sharing to address  
13 complaints filed under [section 161A.47](#).

14 f. Of the moneys appropriated in paragraph "c", 5 percent  
15 shall be allocated for financial incentives to establish  
16 practices to protect watersheds above publicly owned lakes of  
17 the state from soil erosion and sediment as provided in section  
18 161A.73.

19 g. The division of soil conservation and water quality  
20 created within the department pursuant to section 159.5 may  
21 allocate moneys appropriated in paragraph "c" to conduct  
22 research and demonstration projects to promote conservation  
23 tillage and nonpoint source pollution control practices.

24 h. The allocation of moneys as financial incentives as  
25 provided in [section 161A.73](#) may be used in combination with  
26 moneys allocated by the department of natural resources.

27 i. Not more than 15 percent of the moneys appropriated  
28 in paragraph "c" may be used for costs of administration and  
29 implementation of soil and water conservation practices.

30 5. SOIL AND WATER CONSERVATION — ADMINISTRATION

31 a. For use by the department for costs of administration and  
32 implementation of soil and water conservation practices:

33 ..... \$ 3,800,000

34 b. Of the moneys appropriated in paragraph "a", \$150,000  
35 is allocated to support field staff providing technical

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1 assistance.

2 Sec. 16. DEPARTMENT OF NATURAL RESOURCES. There is  
3 appropriated from the environment first fund created in section  
4 8.57A to the department of natural resources for the fiscal  
5 year beginning July 1, 2025, and ending June 30, 2026, the  
6 following amounts, or so much thereof as is necessary, to be  
7 used for the purposes designated:

8 1. STATE PARK MAINTENANCE AND OPERATIONS

9 For regular maintenance and operations of state parks and  
10 staff time associated with these activities:

11 ..... \$ 6,235,000

12 2. GEOGRAPHIC INFORMATION SYSTEM (GIS)

13 To provide local watershed managers with geographic  
14 information system data for their use in developing,  
15 monitoring, and displaying results of their watershed work:

16 ..... \$ 195,000

17 3. WATER QUALITY MONITORING

18 For continuing the establishment and operation of water  
19 quality monitoring stations:

20 ..... \$ 2,955,000

21 4. PUBLIC WATER SUPPLY SYSTEM ACCOUNT

22 For deposit in the public water supply system account of the  
23 water quality protection fund created in [section 455B.183A](#):

24 ..... \$ 500,000

25 5. REGULATION OF ANIMAL FEEDING OPERATIONS

26 For the regulation of animal feeding operations, including  
27 as provided for in [chapters 459, 459A, and 459B](#):

28 ..... \$ 1,320,000

29 6. FLOODPLAIN MANAGEMENT AND DAM SAFETY

30 For supporting floodplain management and dam safety:

31 ..... \$ 375,000

32 7. AMBIENT AIR QUALITY

33 For the abatement, control, and prevention of ambient  
34 air pollution in this state, including measures as necessary  
35 to assure attainment and maintenance of ambient air quality

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1 standards from particulate matter:

2 ..... \$ 425,000

3 Sec. 17. STATE UNIVERSITY OF IOWA — IOWA GEOLOGICAL  
4 SURVEY. There is appropriated from the environment first  
5 fund created in [section 8.57A](#) to the state university of Iowa  
6 for the fiscal year beginning July 1, 2025, and ending June  
7 30, 2026, the following amounts, or so much thereof as is  
8 necessary, to be used for the purposes designated:

9 1. IOWA GEOLOGICAL SURVEY OPERATIONS

10 For purposes of supporting the operations of the Iowa  
11 geological survey of the state as created within the state  
12 university of Iowa pursuant to [section 456.1](#), including but not  
13 limited to providing analysis; data maintenance, collection,  
14 and compilation; investigative programs; and information for  
15 water supply development and protection:

16 ..... \$ 200,000

17 2. WATER RESOURCE MANAGEMENT

18 For purposes of supporting the Iowa geological survey in  
19 measuring, assessing, and evaluating the quantity of water  
20 sources in this state and assisting the department of natural  
21 resources in regulating water quantity as provided in chapter  
22 455B, subchapter III, part 4, pursuant to [sections 455B.262B](#)  
23 and [456.14](#):

24 ..... \$ 495,000

25 Sec. 18. REVERSION.

26 1. a. Except as provided in paragraph "b", and  
27 notwithstanding [section 8.33](#), moneys appropriated for the  
28 fiscal year beginning July 1, 2025, in this division of this  
29 Act that remain unencumbered or unobligated at the close of  
30 the fiscal year shall not revert but shall remain available  
31 for expenditure for the purposes designated until the close of  
32 the succeeding fiscal year, or until the project for which the  
33 appropriation was made is completed, whichever is earlier.

34 b. Notwithstanding [section 8.33](#), moneys appropriated for  
35 the fiscal year beginning July 1, 2025, in this division of

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1 this Act to the department of agriculture and land stewardship  
2 to provide financial assistance for the establishment of  
3 permanent soil and water conservation practices that remain  
4 unencumbered or unobligated at the close of the fiscal year  
5 shall not revert but shall remain available for expenditure  
6 for the purposes designated until the close of the fiscal year  
7 beginning July 1, 2028.

8 2. Subsection 1 does not apply to moneys transferred  
9 pursuant to this division of this Act to the loess hills  
10 development and conservation fund created in [section 161D.2](#),  
11 which shall not revert as provided in that section.

12 DIVISION VI

13 ENVIRONMENT FIRST FUND — SPECIAL APPROPRIATIONS

14 Sec. 19. WATER QUALITY INITIATIVE — DEPARTMENT OF  
15 AGRICULTURE AND LAND STEWARDSHIP.

16 1. There is appropriated from the environment first fund  
17 created in [section 8.57A](#) to the department of agriculture  
18 and land stewardship for the fiscal year beginning July 1,  
19 2025, and ending June 30, 2026, the following amount, or so  
20 much thereof as is necessary, to be used for the purposes  
21 designated:

22 For deposit in the water quality initiative fund created in  
23 [section 466B.45](#), for purposes of supporting the water quality  
24 initiative administered by the division of soil conservation  
25 and water quality as provided in [section 466B.42](#), including  
26 salaries, support, maintenance, and miscellaneous purposes:  
27 ..... \$ 2,375,000

28 2. a. The moneys appropriated in subsection 1 shall be  
29 used to support projects in subwatersheds as designated by the  
30 division that are part of high-priority watersheds identified  
31 by the water resources coordinating council established  
32 pursuant to [section 466B.3](#).

33 b. The moneys appropriated in subsection 1 shall be used to  
34 support projects in watersheds generally, including regional  
35 watersheds, as designated by the division and high-priority

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1 watersheds identified by the water resources coordinating  
2 council established pursuant to [section 466B.3](#).

3 3. In supporting projects in subwatersheds and watersheds  
4 as provided in subsection 2, all of the following apply:

5 a. The demonstration projects shall utilize water quality  
6 practices as described in the Iowa nutrient reduction strategy  
7 as defined in [section 455B.171](#).

8 b. The division shall implement demonstration projects as  
9 provided in paragraph "a" by providing for participation by  
10 persons who hold a legal interest in agricultural land used in  
11 farming. To every extent practical, the division shall provide  
12 for collaborative participation by such persons who hold a  
13 legal interest in agricultural land located within the same  
14 subwatershed.

15 c. The division shall implement a demonstration project on  
16 a cost-share basis as determined by the division. However,  
17 except for edge-of-field practices, the state's share of the  
18 amount shall not exceed 50 percent of the estimated cost of  
19 establishing the practice as determined by the division or  
20 50 percent of the actual cost of establishing the practice,  
21 whichever is less.

22 d. The demonstration projects shall be used to educate other  
23 persons about the feasibility and value of establishing similar  
24 water quality practices. The division shall promote field day  
25 events for purposes of allowing interested persons to establish  
26 water quality practices on their agricultural land.

27 e. The division shall conduct water quality evaluations  
28 within supported subwatersheds. Within a reasonable period  
29 after accumulating information from such evaluations, the  
30 division shall create an aggregated database of water quality  
31 practices. Any information identifying a person holding a  
32 legal interest in agricultural land or specific agricultural  
33 land shall be a confidential record under [section 22.7](#).

34 4. The moneys appropriated in subsection 1 shall be used  
35 to support education and outreach in a manner that encourages

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1 persons who hold a legal interest in agricultural land used for  
2 farming to implement water quality practices, including the  
3 establishment of such practices in watersheds generally, and  
4 not limited to subwatersheds or high-priority watersheds.

5 5. The moneys appropriated in subsection 1 may be used  
6 to contract with persons to coordinate the implementation of  
7 efforts provided in this section.

8 6. The moneys appropriated in subsection 1 may be used by  
9 the department to support urban soil and water conservation  
10 efforts, which may include but are not limited to management  
11 practices related to bioretention, landscaping, the use of  
12 permeable or pervious pavement, and soil quality restoration.  
13 The moneys shall be allocated on a cost-share basis as provided  
14 in [chapter 161A](#).

15 7. Notwithstanding any other provision of law to the  
16 contrary, the department may use moneys appropriated in  
17 subsection 1 to carry out the provisions of this section on a  
18 cost-share basis in combination with other moneys available to  
19 the department from a state or federal source.

20 8. Not more than 10 percent of the moneys appropriated in  
21 this section may be used to pay for the costs of administering  
22 and implementing the water quality initiative by the  
23 department's division of soil conservation and water quality as  
24 provided in [section 466B.42](#) and this section.

25 DIVISION VII

26 RESOURCES ENHANCEMENT AND PROTECTION — OPEN SPACES

27 Sec. 20. REAP — IN LIEU OF GENERAL FUND APPROPRIATION. In  
28 lieu of the standing appropriation in [section 455A.18](#), there is  
29 appropriated from the environment first fund created in section  
30 8.57A to the Iowa resources enhancement and protection fund  
31 for the fiscal year beginning July 1, 2025, and ending June  
32 30, 2026, the following amount, to be allocated as provided in  
33 section 455A.19:

34 ..... \$ 12,000,000

35 Sec. 21. REAP — OPEN SPACES ACCOUNT — STATE PARK

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1 MAINTENANCE, OPERATIONS, AND FACILITY REFURBISHMENT.

2 Notwithstanding [section 455A.19, subsection 1](#), paragraph "a",  
3 subparagraph (1), of the moneys allocated to the open spaces  
4 account of the Iowa resources enhancement and protection fund,  
5 up to \$1,000,000 may be used by the department of natural  
6 resources for state park maintenance, development, operations,  
7 and facility refurbishment for the fiscal year beginning July  
8 1, 2025, and ending on June 30, 2026.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with  
11 the explanation's substance by the members of the general assembly.

12 This bill relates to and makes appropriations for FY  
13 2025-2026 involving state government entities associated  
14 with agriculture, natural resources, and environmental  
15 protection, including the department of agriculture and land  
16 stewardship (DALs), department of natural resources (DNR), Iowa  
17 state university of science and technology (ISU), and state  
18 university of Iowa (UI).

19 DALs. The bill appropriates moneys from the general fund  
20 of the state (GF) to DALs for general operations, ISU's  
21 midwest grape and wine industry institute, dairy regulation,  
22 the local food and farm program, agricultural education,  
23 foreign animal disease preparedness and response, the farmers  
24 with disabilities program, loess hills development and  
25 conservation, southern Iowa development and conservation,  
26 grain regulation, the choose Iowa fund, the choose Iowa food  
27 purchasing pilot project, and market reporting. The bill also  
28 appropriates moneys to DALs from pari-mutuel wagering winnings  
29 for administration and enforcement of horse and dog racing,  
30 from the renewable fuel infrastructure fund for motor fuel  
31 inspections, and from the skilled worker and job creation fund  
32 for the butchery innovation and revitalization program.

33 DNR. The bill appropriates moneys from the GF to DNR for  
34 general operations, floodplain management and dam safety,  
35 forestry health management, and state park operations. The

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1 bill also appropriates moneys to DNR from the state fish  
2 and game protection fund for various activities, from the  
3 groundwater protection fund for DNR's groundwater protection  
4 activities, and from the special snowmobile fund for snowmobile  
5 programs.

6 ISU. The bill appropriates moneys from the GF to ISU for  
7 the veterinary diagnostic laboratory, management of private  
8 forests, and livestock disease research. The bill also  
9 appropriates moneys from the Iowa nutrient research fund to ISU  
10 for the veterinary diagnostic laboratory.

11 UI. The bill appropriates moneys from the GF to UI for the  
12 center for agricultural health and safety.

13 ENVIRONMENT FIRST FUND. The bill appropriates moneys from  
14 the environment first fund (EFF) to DALs for the conservation  
15 reserve enhancement program, watershed protection, the  
16 conservation reserve program, soil and water conservation,  
17 and the water quality initiative fund; to DNR for state park  
18 maintenance and operations, the geographic information system,  
19 water quality monitoring, the public water supply system  
20 account, regulation of animal feeding operations, floodplain  
21 management and dam safety, and ambient air quality; and to  
22 UI for Iowa geological survey operations and water resource  
23 management.

24 RESOURCES ENHANCEMENT AND PROTECTION. For FY 2025-2026,  
25 the bill appropriates moneys from the EFF to the Iowa resource  
26 enhancement and protection (REAP) fund in lieu of the standing  
27 GF appropriation. The bill also allows certain moneys in the  
28 open spaces account of the REAP fund to be used by DNR for  
29 state park maintenance, development, operations, and facility  
30 refurbishment.