

**Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025**

H1218	.....	2
H1219	.....	3
HF984	.....	6
HF985	.....	43
HF986	.....	48
HF987	.....	90
HF988	.....	127
HF989	.....	138
HF990	.....	164
HF991	.....	166
HF992	.....	173
HF993	.....	175
HF994	.....	186
HF995	.....	191
HF996	.....	193
HF997	.....	195
HF998	.....	198
HR18	.....	237
S3067	.....	239
S3068	.....	246
S3069	.....	248
S3070	.....	251
S3071	.....	252
S3072	.....	253
S3073	.....	254
S3074	.....	255
S3075	.....	256
S3076	.....	257
S3077	.....	258

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

Senate File 514

H-1218

1 Amend Senate File 514, as passed by the Senate, as follows:

2 1. Page 1, by striking lines 10 through 15 and inserting
3 <of the child to both parties unless the court finds, by a
4 preponderance of the evidence, that joint physical care is
5 inappropriate. The court shall cite the reasons that joint
6 physical care would be inappropriate using factors listed in
7 section 598.41, subsection 3.>

COMMITTEE ON JUDICIARY

HOLT of Crawford, Chairperson

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 835

H-1219

1 Amend House File 835 as follows:

2 1. Page 4, by striking line 10 and inserting <school acting
3 reasonably, in good faith, and in compliance with a student's>

4 2. Page 4, after line 14 by inserting:

5 <Sec. ____ . DEPARTMENT OF EDUCATION — HEALTH CARE-RELATED
6 TRAINING FOR SCHOOL PERSONNEL WORK GROUP.

7 1. The department of education shall convene and provide
8 administrative support to a health care-related training
9 for school personnel work group. The work group shall
10 review and develop a plan to ensure Iowa educators have the
11 health care training necessary to perform their duties and
12 responsibilities, and shall consider and submit recommendations
13 for delivery and implementation of training required under
14 state law or rule.

15 2. The work group shall include all of the following:

16 a. (1) Two members who are staff members from the
17 department of education, one of whom shall be an administrative
18 consultant in the bureau of nutrition and health services.
19 A member appointed under this subparagraph shall coordinate
20 the work group and act as chairperson for the organizational
21 meeting.

22 (2) One member who is a staff member from the Iowa
23 department of health and human services.

24 b. Members who shall represent each of the following:

25 (1) One member from a statewide organization representing
26 teachers.

27 (2) One member from a statewide organization representing
28 school board members.

29 (3) One member from a statewide organization representing
30 school administrators.

31 (4) One member from a statewide organization representing
32 authorities in charge of accredited nonpublic schools.

33 (5) One member representing the area education agencies.

34 (6) One member from a statewide organization representing
35 physicians.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

1 (7) One member from a statewide organization representing
2 athletic trainers.

3 (8) One member from a statewide organization representing
4 emergency management services.

5 (9) One member from a statewide organization representing
6 health care organizations.

7 (10) One member from a statewide organization representing
8 school nurses.

9 3. Any expenses incurred by a member of the work group
10 shall be the responsibility of the individual member or the
11 respective entity represented by the member.

12 4. The director of the department of education or the
13 director's designee shall compile and provide to the work group
14 a list of, and the purposes for, the health care training
15 programs that school personnel are required to complete, as
16 well as any requirements school personnel must meet following
17 such training, in order be in compliance with state law or
18 administrative rule.

19 5. The work group shall do all of the following:

20 a. Identify which trainings can be best provided over the
21 internet, and how such training can be rotated on a five-year
22 basis for school personnel.

23 b. Develop a plan for a regular cycle of health care-related
24 training for school personnel review, with the goal of removing
25 or modifying training or training programs that are no longer
26 relevant, and identifying less costly and more efficient
27 options that still provide the appropriate level of training to
28 school personnel.

29 c. Standardize the process of establishing new training
30 requirements in state law or rule to manage stakeholder
31 expectations relating to the timeline for establishing the
32 requirements.

33 d. Create an ongoing review process to find efficiencies,
34 identify training options that better utilize time and
35 financial resources, and offer a continuous improvement model

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

1 for the system moving forward.

2 e. Study and make any recommended changes on rules adopted
3 by the state board of education under 281 IAC ch. 14, relating
4 to individual health plans prepared for students with various
5 health conditions.

6 f. Ensure a public comment process for patient advocacy
7 groups and parents to provide input on the recommendations of
8 the work group.

9 6. If the work group recommends elimination or significant
10 modification of certain health care-related training for
11 school personnel, the department of education shall identify
12 stakeholders who would potentially be affected by such
13 change, and shall invite representatives from organizations
14 representing such stakeholders to submit comments before or
15 at an upcoming work group meeting before the work group makes
16 final recommendations.

17 7. The department of education shall compile the work
18 group's findings and recommendations and shall submit the
19 compilation, including any proposal for legislation, in a
20 report to the general assembly, the governor, and the state
21 board of education by December 1, 2025.>

22 3. Title page, by striking lines 1 through 4 and inserting
23 <An Act relating to school personnel training, including by
24 implementing provisions related to emergency care planning,
25 authorizations for assisting, and limitations of liability
26 concerning students with epilepsy or seizure disorder, and
27 requiring the department of education to convene a health
28 care-related training for school personnel work group.>

29 4. By renumbering as necessary.

SORENSEN of Adair

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 984 - Introduced

HOUSE FILE 984
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 833)
(SUCCESSOR TO HSB 153)

A BILL FOR

1 An Act relating to services and support for youth, including
2 treatment, physical assessments, and behavioral health
3 evaluations for youth involved in juvenile delinquency and
4 child in need of assistance proceedings; the licensing
5 and certification of certain residential facilities;
6 the provision of home and community-based services and
7 habilitation services to certain youth by residential
8 programs; administration and supervision of juvenile court
9 services; and the suspension of Hawki eligibility for
10 inmates of public institutions.

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

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

DIVISION I

SERVICES AND SUPPORT FOR CHILDREN AND YOUTH

Section 1. Section 125.13, subsection 2, Code 2025, is amended by adding the following new paragraph:

NEW PARAGRAPH. *k.* A psychiatric medical institution for children licensed under chapter 135H, unless the psychiatric medical institution for children provides substance use disorder services.

Sec. 2. Section 135H.1, Code 2025, is amended to read as follows:

135H.1 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. "Approved qualifying organization" means any of the following:

a. The joint commission.

b. The commission on accreditation of rehabilitation facilities.

c. The council on accreditation.

d. A nationally recognized accrediting organization with standards comparable to the entities listed in paragraphs "a" through "c" that are acceptable under federal regulations.

e. An entity specified by rule adopted by the department in consultation with the department of health and human services.

~~1.~~ 2. "Department" means the department of inspections, appeals, and licensing.

~~2.~~ 3. "Direction" means authoritative policy or procedural guidance for the accomplishment of a function or an activity.

~~3.~~ 4. "Licensee" means the holder of a license issued to operate a psychiatric medical institution for children.

~~4.~~ 5. "Medical care plan" means a plan of care and services designed to eliminate the need for inpatient care by improving the condition of a ~~child~~ youth. Services must be based upon a diagnostic evaluation, which includes ~~an examination~~ a physical assessment and behavioral health evaluation of the medical,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 psychological, social, behavioral, and developmental aspects
2 of the ~~child's~~ youth's situation, reflecting the need for
3 inpatient care.

4 6. "Mental health disorder" means any of the following:

5 a. A mental disorder as defined by the most recent version
6 of the diagnostic and statistical manual of mental disorders
7 published by the American psychiatric association.

8 b. A mental disorder included in the mental, behavioral, or
9 neurodevelopmental disorders chapter in the most recent version
10 of the international classification of diseases published by
11 the world health organization.

12 ~~5.~~ 7. "Mental health professional" means an individual who
13 has all of the following qualifications:

14 a. The individual holds at least a master's degree in a
15 mental health field, including but not limited to, psychology,
16 counseling and guidance, nursing, ~~and~~ or social work, or the
17 individual is a physician.

18 b. The individual holds a current Iowa license if practicing
19 in a field ~~covered by~~ that requires an Iowa licensure law
20 license.

21 c. The individual has at least two years of post-degree
22 clinical experience, supervised by another mental health
23 professional, in assessing mental health needs and problems and
24 in providing appropriate mental health services.

25 ~~6.~~ 8. "Nursing care" means services which are provided
26 under the direction of a physician or registered nurse.

27 ~~7.~~ 9. "Physician" means a person licensed under chapter
28 148.

29 10. "Protective locked environment" means a setting that
30 prevents egress from a building or grounds as a protective
31 measure to ensure safety and security.

32 ~~8.~~ 11. "Psychiatric medical institution for children" or
33 "psychiatric institution" means an institution providing more
34 than twenty-four hours of continuous care involving long-term
35 psychiatric services to three or more ~~children~~ youth in

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 residence for expected periods of fourteen or more days for an
2 assessment, evaluation, and diagnosis and evaluation or for
3 expected periods of ninety days or more for treatment.

4 ~~9.~~ 12. "*Psychiatric services*" means services provided under
5 the direction of a physician which address mental, emotional,
6 medical, or behavioral problems.

7 13. "*Record check evaluation system*" means the same as
8 defined in section 135C.1.

9 ~~10.~~ 14. "*Rehabilitative services*" means services to
10 encourage and assist restoration of a resident's optimum mental
11 and physical capabilities.

12 ~~11.~~ 15. "*Resident*" means a ~~person who is less than~~
13 ~~twenty-one years of age and~~ youth who has been admitted by a
14 ~~physician~~ to a psychiatric medical institution for children.

15 16. "*Serious emotional disturbance*" means a diagnosable
16 mental, behavioral, or emotional disorder that meets the
17 diagnostic criteria specified in the most current diagnostic
18 and statistical manual of mental disorders published by
19 the American psychiatric association. "*Serious emotional*
20 *disturbance*" does not include a substance use disorder or
21 developmental disorder unless such disorder co-occurs with a
22 diagnosable mental, behavioral, or emotional disorder.

23 17. "*Substance use disorder*" means the same as defined in
24 section 125.2.

25 ~~12.~~ 18. "*Supervision*" means direct oversight and inspection
26 of ~~the an~~ act of accomplishing that accomplishes a function or
27 activity.

28 19. "*Youth*" means a person who is less than twenty-one years
29 of age.

30 Sec. 3. Section 135H.3, Code 2025, is amended to read as
31 follows:

32 **135H.3 Nature of care.**

33 1. a. A psychiatric medical institution for children
34 shall provide shelter, food, supervision, care, assessment,
35 evaluation, diagnosis, treatment, counseling, rehabilitative

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 services, and related professional-directed services to
2 youth who have a serious emotional disturbance, a substance
3 use disorder, or both, with the intention of reducing or
4 ameliorating the disorder, the symptoms of the disorder, or the
5 effects of the disorder.

6 b. A psychiatric medical institution for children shall
7 utilize a team of professionals to direct an organized program
8 of diagnostic services, psychiatric services, nursing care,
9 and rehabilitative services to meet the needs of residents
10 in accordance with a medical care plan developed for each
11 resident. The membership of the team of professionals
12 may include but is not limited to an advanced registered
13 nurse practitioner or a physician assistant. Social and
14 rehabilitative services shall be provided under the direction
15 of a qualified mental health professional.

16 2. If a ~~child~~ youth is diagnosed with a biologically
17 based mental illness as defined in [section 514C.22](#) and meets
18 the medical assistance program criteria for admission to a
19 psychiatric medical institution for children, the ~~child~~ youth
20 shall be deemed to meet the acuity criteria for medically
21 necessary inpatient benefits under a group policy, contract, or
22 plan providing for third-party payment or prepayment of health,
23 medical, and surgical coverage benefits issued by a carrier, as
24 defined in [section 513B.2](#), that is subject to [section 514C.22](#).
25 Such medically necessary benefits shall not be excluded or
26 denied as care that is substantially custodial in nature under
27 [section 514C.22](#), subsection 8, paragraph "b".

28 Sec. 4. Section 135H.4, Code 2025, is amended to read as
29 follows:

30 **135H.4 Licensure.**

31 1. A person shall not establish, operate, or maintain a
32 psychiatric medical institution for children unless the person
33 ~~obtains a license for the institution under this chapter and~~
34 ~~either holds a license under [section 237.3](#), subsection 2,~~
35 ~~paragraph "a",~~ as a comprehensive residential facility for

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 children ~~or holds a license under section 125.13~~, if the
2 facility ~~provides substance use disorder treatment under~~
3 chapter 237, and holds a license under this chapter.

4 2. In addition to the requirements under subsection 1,
5 a person shall not provide substance use disorder services
6 at a psychiatric medical institution for children unless the
7 person holds a license under section 125.13. The department
8 of health and human services shall adopt rules pursuant to
9 chapter 17A to create an expedited process for a person to
10 simultaneously obtain a license under section 125.13, a license
11 as a comprehensive residential facility for children under
12 chapter 237, and a license under this chapter.

13 Sec. 5. Section 135H.5, Code 2025, is amended to read as
14 follows:

15 135H.5 Application for license — initial application and
16 annual fees.

17 1. An application for a license under this chapter shall
18 be submitted on a form ~~requesting information~~ required by
19 the department, ~~which~~. The application may ~~include~~ require
20 affirmative evidence of the applicant's ability to comply with
21 the rules ~~for standards~~ adopted pursuant to this chapter. The
22 application shall require the applicant to specify whether the
23 applicant intends to provide services for serious emotional
24 disturbances, substance use disorders, or both.

25 2. An application for a license shall be accompanied by the
26 required license fee which shall be credited to the general
27 fund of the state. The initial application fee and the annual
28 license fee is twenty-five dollars.

29 Sec. 6. Section 135H.6, subsections 1, 4, and 5, Code 2025,
30 are amended to read as follows:

31 1. The department shall issue a license to an applicant
32 under this chapter if all the following conditions exist:

33 a. The department has ascertained that the applicant's
34 medical facilities and staff are adequate to provide the care
35 and services required of a psychiatric medical institution for

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 children.

2 *b.* The proposed psychiatric institution is accredited
3 by the ~~joint commission on the accreditation of health~~
4 ~~care organizations, the commission on accreditation of~~
5 ~~rehabilitation facilities, the council on accreditation of~~
6 ~~services for families and children, or by any other recognized~~
7 ~~accrediting organization with comparable standards acceptable~~
8 ~~under federal regulation~~ an approved qualifying organization.

9 *c.* The applicant complies with applicable state rules
10 and standards for a psychiatric institution adopted by the
11 department in accordance with federal requirements under 42
12 C.F.R. §441.150 - 441.156.

13 *d.* The department of health and human services has submitted
14 written approval of the application based on the department
15 of health and human services' determination of need. The
16 department of health and human services shall identify the
17 location and number of children youth in the state who require
18 the services of a psychiatric medical institution for children.
19 Approval of an application shall be based upon the location
20 of the proposed psychiatric institution relative to the need
21 for services identified by the department of health and human
22 services and an analysis of the applicant's ability to provide
23 services and support consistent with requirements under chapter
24 232, ~~particularly regarding~~ specifically community-based
25 treatment. If the proposed psychiatric institution is not
26 freestanding from a facility licensed under [chapter 135B](#) or
27 135C, approval under this paragraph shall not be given unless
28 the department of health and human services certifies that
29 the proposed psychiatric institution is capable of providing
30 a resident with a living environment similar to the living
31 environment provided by a licensee which is freestanding from a
32 facility licensed under [chapter 135B](#) or [135C](#).

33 ~~*e.* The proposed psychiatric institution is under the~~
34 ~~direction of an agency which has operated a facility licensed~~
35 ~~under [section 237.3, subsection 2](#), paragraph "a", as a~~

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 ~~comprehensive residential facility for children for three years~~
2 ~~or of an agency which has operated a facility for three years~~
3 ~~providing psychiatric services exclusively to children or~~
4 ~~adolescents and the facility meets or exceeds requirements for~~
5 ~~licensure under [section 237.3, subsection 2](#), paragraph "a", as a~~
6 ~~comprehensive residential facility for children.~~

7 ~~f. e.~~ If a child youth has an a serious emotional,
8 ~~behavioral, or mental health disorder disturbance,~~ the
9 psychiatric institution does not require ~~court~~ any of the
10 following as a condition for the youth to obtain treatment:

11 (1) Court proceedings to be initiated or that a child's.

12 (2) For the youth's parent, guardian, or custodian must
13 to terminate parental rights over, or transfer legal custody
14 of, the child for the purposes of obtaining treatment from the
15 psychiatric institution for the child youth.

16 (3) Relinquishment of a child's the youth's custody shall
17 not be a condition of the child receiving services.

18 4. The department of health and human services may give
19 ~~approval to~~ approve a conversion of beds approved under
20 ~~subsection 2, to~~ if the beds which are specialized to provide
21 substance use disorder treatment. However, the total number of
22 beds approved under [subsection 2](#) and [this subsection](#) shall not
23 exceed four hundred thirty, unless approved for good cause by
24 the director pursuant to [subsection 2](#). ~~Beds~~ The limitations
25 on the number of beds under this section shall not apply to
26 beds for children youth who do not reside in this state and
27 whose service costs are not paid by public funds in this state
28 ~~are not subject to the limitations on the number of beds~~
29 ~~requirements otherwise applicable under~~ [this section](#).

30 5. ~~A psychiatric institution licensed prior to July 1, 1999,~~
31 ~~may exceed the number of beds authorized under subsection 2~~
32 ~~if the excess beds are used to provide services funded from~~
33 ~~a source other than the medical assistance program under~~
34 [chapter 249A](#). Notwithstanding [subsection 1](#), paragraph "d", and
35 [subsection 2](#), the provision of services using those excess beds

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 ~~does not require a review by the department of health and human~~
2 ~~services.~~

3 Sec. 7. Section 135H.7, subsection 2, paragraph a, Code
4 2025, is amended to read as follows:

5 a. If a person who has been convicted of a crime or has a
6 record of founded child abuse is being considered for licensure
7 under this chapter, ~~or~~ for employment with a psychiatric
8 institution involving direct responsibility for a child youth
9 or ~~with~~ access to a child youth when the child youth is alone,
10 ~~by a licensed psychiatric institution, or if a person will~~
11 ~~reside~~ residence in a facility utilized by a licensee, ~~and if~~
12 ~~the person has been convicted of a crime or has a record of~~
13 ~~founded child abuse,~~ the record check evaluation system and
14 the licensee ~~for an employee of the licensee~~ considering the
15 person for employment shall perform an evaluation to determine
16 whether the crime or founded child abuse warrants prohibition
17 of licensure, employment, or residence in the facility utilized
18 by a licensee. The record check evaluation system ~~of the~~
19 ~~department of health and human services~~ shall conduct criminal
20 and child abuse record checks in this state and may conduct
21 these checks in other states. The record check evaluation
22 shall be performed in accordance with procedures adopted for
23 this purpose by the department of health and human services.

24 Sec. 8. NEW SECTION. 135H.7A Protective locked environment
25 — rules.

26 The department, in cooperation with the department of health
27 and human services, shall adopt rules pursuant to chapter 17A
28 relating to the application of a protective locked environment
29 in a psychiatric medical institution for children.

30 Sec. 9. Section 135H.10, subsection 2, Code 2025, is amended
31 to read as follows:

32 2. This chapter shall not be construed as ~~prohibiting~~
33 ~~the use of to prohibit~~ funds appropriated for foster care ~~to~~
34 from being used to provide payment to a psychiatric medical
35 institution for children for the financial participation

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 required of a ~~child~~ youth whose foster care placement is in a
2 psychiatric medical institution for children. In accordance
3 with established policies and procedures for foster care, the
4 department of health and human services shall act to recover
5 any such payment for financial participation, apply to be named
6 payee for the ~~child's~~ youth's unearned income, and recommend
7 parental liability for the costs of a court-ordered foster care
8 placement in a psychiatric ~~medica~~ institution.

9 Sec. 10. Section 135H.13, subsection 1, Code 2025, is
10 amended to read as follows:

11 1. The department's final findings and the ~~survey~~ findings
12 of the ~~joint commission on the accreditation of health care~~
13 ~~organizations~~ an approved qualifying organization regarding
14 licensure or program accreditation shall be made available
15 to the public in a readily available form and place. Other
16 information relating to the psychiatric institution is
17 confidential and shall not be made available to the public
18 except in ~~proceedings~~ a proceeding involving licensure, a
19 civil suit involving a resident, or an administrative action
20 involving a resident.

21 Sec. 11. Section 232.2, Code 2025, is amended by adding the
22 following new subsections:

23 NEW SUBSECTION. 3A. "*Behavioral health condition*" means
24 a serious emotional disturbance, a mental health disorder,
25 a substance abuse disorder, life stressors and crises, and
26 stress-related physical symptoms.

27 NEW SUBSECTION. 3B. "*Behavioral health evaluation*" means a
28 process used to assess an individual's behavioral health status
29 and functioning for purposes including but not limited to the
30 diagnosis of a behavioral health condition or to determine the
31 need for treatment or intervention.

32 NEW SUBSECTION. 38A. "*Mental health disorder*" means the
33 same as defined in section 135H.1.

34 NEW SUBSECTION. 48A. "*Physical assessment*" means
35 direct physical touching, viewing, and medically necessary

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 manipulation of any area of a child's body by a physician
2 licensed under chapter 148.

3 NEW SUBSECTION. 58A. "*Serious emotional disturbance*" means
4 the same as defined in section 135H.1.

5 NEW SUBSECTION. 64A. "*Substance use disorder*" means the
6 same as defined in section 125.2.

7 Sec. 12. Section 232.2, subsection 34, Code 2025, is amended
8 to read as follows:

9 34. "*Juvenile court social records*" or "*social records*" means
10 all records, other than official records, made with respect to
11 a child in connection with proceedings over which the court has
12 jurisdiction under this chapter ~~other than official records~~ and
13 includes but is not limited to ~~the~~ records made and compiled
14 by intake officers, predisposition reports, and reports of
15 physical assessments and mental examinations behavioral health
16 evaluations.

17 Sec. 13. Section 232.8, subsection 4, Code 2025, is amended
18 to read as follows:

19 4. In a proceeding concerning a child who is alleged to
20 have committed a second delinquent act or a second violation
21 excluded from the jurisdiction of the juvenile court, the court
22 or the juvenile court shall determine whether there is reason
23 to believe that the child ~~regularly abuses alcohol or other~~
24 ~~controlled substance~~ has a behavioral health condition and may
25 be in need of treatment. If the court so determines, the court
26 shall advise appropriate juvenile authorities and refer such
27 offenders to the juvenile court for disposition pursuant to
28 section 232.52A.

29 Sec. 14. Section 232.49, Code 2025, is amended to read as
30 follows:

31 **232.49 Physical assessments and mental examinations**
32 **behavioral health evaluations — juvenile delinquency.**

33 1. a. Following Any time after the entry of an order
34 of adjudication under section 232.47, the court may, after
35 a hearing ~~which may be simultaneous with the adjudicatory~~

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 ~~hearing~~, order a physical assessment or ~~mental examination~~
2 behavioral health evaluation of a child if ~~it~~ the court finds
3 that ~~an examination~~ a physical assessment or a behavioral
4 health evaluation is necessary to determine the child's
5 physical condition or ~~mental~~ to determine if the child has a
6 behavioral health condition.

7 b. The court may consider chemical dependency as either
8 a physical condition or ~~mental~~ behavioral health condition
9 and may consider a chemical dependency evaluation as either a
10 physical assessment or ~~mental examination~~ behavioral health
11 evaluation. ~~If the examination~~

12 c. A hearing to order a physical assessment or behavioral
13 health evaluation may be held at the same time as the
14 adjudicatory hearing.

15 2. Unless otherwise ordered by the court, if a physical
16 assessment or behavioral health evaluation indicates the child
17 has behaved in a manner that threatened the safety of another
18 person, has committed a violent act causing bodily injury to
19 another person, or has been a victim or perpetrator of sexual
20 abuse, ~~unless otherwise ordered by the court~~, the child's
21 parent, guardian, ~~or~~ foster parent, or other person with
22 custody of the child shall be provided with that information.

23 ~~2.~~ 3. a. When possible ~~an examination~~, a physical
24 assessment or behavioral health evaluation shall be conducted
25 on an outpatient basis, ~~but~~. However, if deemed necessary by
26 the court, the court may, if it deems necessary commit order
27 the child to a suitable hospital, facility, or institution for
28 the purpose of ~~examination~~ an inpatient physical assessment or
29 an inpatient behavioral health evaluation.

30 b. ~~Commitment for examination~~ An inpatient physical
31 assessment or an inpatient behavioral health evaluation shall
32 not exceed thirty days and ~~the civil commitment provisions of~~
33 ~~chapter 229~~ shall not apply.

34 ~~3.~~ 4. a. ~~At any~~ Any time after the filing of a delinquency
35 petition, the court may order a physical assessment or ~~mental~~

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 ~~examination~~ behavioral health evaluation of the child if all of
2 the following circumstances apply:

3 (1) The court finds ~~such examination~~ a physical assessment
4 or a behavioral health evaluation to be in the best interest
5 of the child; ~~and.~~

6 (2) The parent, guardian, or custodian and the child's
7 counsel agree to the physical assessment or behavioral health
8 evaluation.

9 b. (1) ~~An examination~~ A physical assessment or behavioral
10 health evaluation shall be conducted on an outpatient basis
11 unless the court, the child's counsel, and the child's
12 parent, guardian, or custodian agree that ~~it is necessary~~ the
13 child should be committed ordered to a suitable hospital,
14 facility, or institution for the purpose of ~~examination~~ an
15 inpatient physical assessment or an inpatient behavioral health
16 evaluation. ~~Commitment for examination~~

17 (2) An inpatient physical assessment or inpatient
18 behavioral health evaluation shall not exceed thirty days ~~and~~
19 ~~the civil commitment provisions of chapter 229~~ shall not apply.

20 Sec. 15. Section 232.52A, subsection 1, Code 2025, is
21 amended to read as follows:

22 1. In addition to any other order of the juvenile court,
23 ~~a person under age eighteen,~~ child who may be in need of
24 treatment, as determined under section 232.8, may be ordered
25 to participate in ~~an alcohol or controlled substance education~~
26 ~~or~~ a physical assessment or behavioral health evaluation
27 ~~program~~ approved by the juvenile court. ~~If recommended after~~
28 ~~evaluation, the~~ The court may also order the ~~person~~ child to
29 participate in a treatment program approved by the court if the
30 treatment program is recommended after the child's physical
31 assessment or behavioral health evaluation. The juvenile court
32 may also require the custodial parent or parents, or other
33 ~~legal~~ guardian, to participate in an educational program with
34 ~~the person under age eighteen~~ child if the court determines
35 that such participation is in the best interests of the person

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 ~~under age eighteen child.~~

2 Sec. 16. Section 232.68, subsection 3, unnumbered paragraph
3 1, Code 2025, is amended to read as follows:

4 "*Confidential access to a child*" means access to a child,
5 ~~during an assessment of an alleged act of child abuse,~~ who is
6 alleged to be the victim of the child abuse, during a child
7 abuse assessment. The access may be accomplished by interview,
8 observation, or ~~examination~~ physical assessment of the child.

9 As used in [this subsection](#) and this part:

10 Sec. 17. Section 232.68, subsection 3, paragraph c, Code
11 2025, is amended by striking the paragraph.

12 Sec. 18. Section 232.69, subsection 3, paragraph b, Code
13 2025, is amended to read as follows:

14 *b.* A person required to make a report under subsection 1,
15 other than a physician whose professional practice does not
16 regularly involve providing primary health care to children,
17 shall complete the core training curriculum relating to
18 the identification and reporting of child abuse within six
19 months of initial employment or self-employment involving
20 ~~the examination~~ physical assessments or behavioral health
21 evaluations, or attending, counseling, or treatment of treating
22 children on a regular basis. Within one month of initial
23 employment or self-employment, the person shall obtain a
24 statement of the abuse reporting requirements from the person's
25 employer or, if self-employed, from the department. The person
26 shall complete the core training curriculum relating to the
27 identification and reporting of child abuse every three years.

28 Sec. 19. Section 232.71B, subsection 10, Code 2025, is
29 amended to read as follows:

30 10. *Physical examination assessment.* If the department
31 refers a child to a physician or physician assistant for a
32 ~~physical examination~~ assessment, the department shall contact
33 the physician or physician assistant regarding the ~~examination~~
34 physical assessment within twenty-four hours of making the
35 referral. If the physician or physician assistant who performs

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 ~~the examination upon referral by the department~~ physical
2 assessment reasonably believes the child has been abused, the
3 physician or physician assistant shall report to the department
4 within twenty-four hours of performing the ~~examination~~ physical
5 assessment.

6 Sec. 20. Section 232.77, subsection 1, Code 2025, is amended
7 to read as follows:

8 1. a. A person who is required to report suspected
9 child abuse may take or perform, or may cause to be taken or
10 performed, at public expense, photographs, X rays, ~~or other~~
11 physical examinations assessments, or other tests of a child
12 which would provide medical indication of allegations arising
13 from an assessment.

14 b. A health practitioner may, if medically indicated,
15 cause to be performed a radiological examination, physical
16 ~~examination assessment~~, or other ~~medical tests~~ test of the
17 child.

18 c. A person who takes any photographs or X rays or
19 performs any physical ~~examinations assessments~~ or other tests
20 pursuant to this section shall notify the department that the
21 photographs or X rays have been taken or the ~~examinations~~
22 physical assessments or other tests have been performed. ~~The~~
23 ~~person who made notification~~, and shall retain the photographs,
24 ~~or X rays~~, or ~~examination~~ physical assessment or other test
25 findings for a reasonable time following the notification.

26 d. Whenever the person is required to report under section
27 232.69~~r~~ in that person's capacity as a member of the staff of
28 a medical or other private or public institution, agency or
29 facility, that person shall immediately notify the person in
30 charge of the institution, agency, or facility or that person's
31 designated delegate of the need for photographs, ~~or X rays or~~
32 examinations, physical assessments, or other tests.

33 Sec. 21. Section 232.78, subsection 1, paragraph a, Code
34 2025, is amended to read as follows:

35 a. Any of the following circumstances exist:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 (1) The person responsible for the care of the child
2 consents to the removal.

3 (2) The person responsible for the care of the child is
4 absent, ~~or.~~

5 (3) The person responsible for the care of the child, though
6 present, was asked and refused to consent to the removal of the
7 child and was informed of an intent to apply for an order under
8 this section, ~~or there.~~

9 (4) There is reasonable cause to believe that a request for
10 consent would further endanger the child, ~~or there.~~

11 (5) There is reasonable cause to believe that a request for
12 consent will cause the parent, guardian, or legal custodian
13 person responsible for the care of the child to take flight
14 with the child.

15 Sec. 22. Section 232.78, subsection 1, paragraph c,
16 subparagraph (1), Code 2025, is amended to read as follows:

17 (1) The refusal or failure of the person responsible for
18 the care of the child to comply with the request of a peace
19 officer, juvenile court officer, or child protection worker
20 for ~~such~~ the person to obtain and provide to the requester
21 the results of a physical assessment or ~~mental examination~~
22 behavioral health evaluation of the child. The request for a
23 ~~physical examination~~ assessment of the child may specify the
24 performance of a medically relevant test.

25 Sec. 23. Section 232.78, subsection 5, Code 2025, is amended
26 to read as follows:

27 5. The juvenile court, before or after the filing of a
28 petition under [this chapter](#), may enter an ex parte order
29 authorizing a ~~physician or physician assistant or hospital to~~
30 ~~conduct an~~ inpatient or outpatient physical examination or
31 ~~authorizing a physician or physician assistant, a psychologist~~
32 ~~certified under [section 154B.7](#), or a community mental health~~
33 ~~center accredited pursuant to [chapter 230A](#) to conduct an~~
34 ~~outpatient mental examination~~ assessment or an inpatient or
35 outpatient behavioral health evaluation of a child ~~if necessary~~

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 ~~to identify the nature, extent, and cause of injuries to the~~
2 ~~child as required by section 232.71B, provided all of the~~
3 following apply:

4 a. Any of the following circumstances exist:

5 (1) The child's parent, guardian, or custodian consents to
6 the physical assessment or the behavioral health evaluation.

7 (2) The child's parent, guardian, or legal custodian is
8 absent, ~~or~~

9 (3) The child's parent, guardian, or custodian, though
10 present, was asked and refused to provide written consent to
11 the ~~examination~~ physical assessment or the behavioral health
12 evaluation.

13 b. The juvenile court has entered an ex parte order
14 directing the removal of the child from the child's home or a
15 child care facility under this section.

16 c. There is not enough time to file a petition and to hold
17 a hearing as provided in section 232.98.

18 Sec. 24. Section 232.79, subsection 5, Code 2025, is amended
19 to read as follows:

20 5. When there has been an emergency removal or keeping of a
21 child without a court order, a physical ~~examination~~ assessment
22 of the child by a licensed medical practitioner shall be
23 performed within twenty-four hours of ~~such~~ the emergency
24 removal or keeping of a child, unless the child is returned
25 to the child's home within twenty-four hours of the emergency
26 removal or keeping of a child.

27 Sec. 25. Section 232.83, subsection 2, Code 2025, is amended
28 to read as follows:

29 2. Anyone authorized to conduct a preliminary investigation
30 in response to a complaint may apply for, or the court on its
31 own motion may enter, an ex parte order authorizing ~~a physician~~
32 ~~or physician assistant or hospital to conduct an inpatient or~~
33 ~~outpatient physical examination or authorizing a physician or~~
34 ~~physician assistant, a psychologist certified under section~~
35 ~~154B.7, or a community mental health center accredited pursuant~~

LSB 1457HZ (3) 91

-16-

dg/ko

16/36

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 to ~~chapter 230A~~ to conduct an outpatient mental examination
2 of a child if necessary to identify the nature, extent, and
3 causes of any injuries, emotional damage, or other such needs
4 of a child as specified in section 232.96A, subsection 3, 5, or
5 ~~6~~, assessment or an inpatient or outpatient behavioral health
6 evaluation provided that all of the following apply:

7 a. Any of the following circumstances exist:

8 (1) The parent, guardian, or custodian consents to the
9 physical assessment or the behavioral health evaluation.

10 (2) The parent, guardian, or legal custodian is absent, or.

11 (3) The parent, guardian, or custodian, though present,
12 was asked and refused to authorize the examination physical
13 assessment or the behavioral health evaluation.

14 b. There is not enough time to file a petition and hold a
15 hearing under this chapter.

16 c. The parent, guardian, or legal custodian has not provided
17 care and treatment related to their the child's alleged
18 victimization.

19 Sec. 26. Section 232.98, Code 2025, is amended to read as
20 follows:

21 **232.98 Physical and mental examinations assessments and**
22 **behavioral health evaluations — child in need of assistance.**

23 1. a. Except as provided in section 232.78, subsection 5,
24 a physical assessment or mental examination behavioral health
25 evaluation of the a child may be ordered only after the filing
26 of a petition pursuant to section 232.87, and after a hearing
27 to determine whether an examination a physical assessment
28 or behavioral health evaluation is necessary to determine
29 the child's physical condition or mental if the child has a
30 behavioral health condition.

31 b. The court may consider chemical dependency as either
32 a physical or mental behavioral health condition and may
33 consider a chemical dependency evaluation as either a physical
34 assessment or mental examination behavioral health evaluation.

35 a. c. The hearing required by this section may be held

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 simultaneously with the adjudicatory hearing.

2 ~~b.~~ d. ~~An examination~~ A physical assessment or a behavioral
3 health evaluation ordered prior to the adjudication shall
4 be conducted on an outpatient basis when possible, ~~but.~~
5 However, if deemed necessary by the court, the court may
6 ~~commit~~ order the child to a suitable nonsecure hospital,
7 facility, or institution for the purpose of ~~examination~~ an
8 inpatient physical assessment or an inpatient behavioral health
9 evaluation for a period not to exceed ~~fifteen~~ thirty days if
10 all of the following are ~~found to be present~~ circumstances
11 exist:

12 (1) Probable cause exists to believe that the child is
13 a child in need of assistance pursuant to section 232.96A,
14 subsection 5 or 6.

15 (2) ~~Commitment~~ An inpatient physical assessment or
16 inpatient behavioral health evaluation is necessary to
17 determine whether there is clear and convincing evidence that
18 the child is a child in need of assistance.

19 (3) The child's attorney agrees to ~~the commitment~~ an
20 inpatient physical assessment or inpatient behavioral health
21 evaluation.

22 ~~e.~~ e. ~~An examination~~ A physical assessment or a behavioral
23 health evaluation ordered after the adjudication shall
24 be conducted on an outpatient basis when possible, ~~but.~~
25 However, if deemed necessary by the court, the court may
26 ~~commit~~ order the child to a suitable nonsecure hospital,
27 facility, or institution for the purpose of ~~examination~~ an
28 inpatient physical assessment or an inpatient behavioral health
29 evaluation for a period not to exceed thirty days.

30 ~~d.~~ f. The child's parent, guardian, or custodian shall
31 be included in counseling sessions offered during the child's
32 stay in a hospital, facility, or institution when feasible, and
33 when in the best interests of the child and the child's parent,
34 guardian, or custodian. If separate counseling sessions are
35 conducted for the child and the child's parent, guardian, or

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 custodian, a joint counseling session shall be offered prior
2 to the release of the child from the hospital, facility, or
3 institution. The court shall require that notice be provided
4 to the child's guardian ad litem of the counseling sessions,
5 ~~and of the~~ counseling session participants, and ~~results the~~
6 outcomes of the counseling sessions.

7 2. Following an adjudication that a child is a child in
8 need of assistance, the court may, after a hearing, order ~~the~~
9 a physical assessment or mental examination behavioral health
10 evaluation of the child's parent, guardian, or custodian if
11 that person's ability to care for the child is at issue.

12 Sec. 27. Section 232.141, subsection 1, Code 2025, is
13 amended to read as follows:

14 1. Except as otherwise provided by law, the court shall
15 inquire into the ability of the child or the child's parent
16 to pay expenses incurred pursuant to subsections 2, 4, and
17 8. After giving the parent a reasonable opportunity to be
18 heard, the court may order the parent to pay all or part of the
19 costs of the child's care, ~~examination~~ physical assessment,
20 behavioral health evaluation, treatment, legal expenses, or
21 other expenses. An order entered under this section does not
22 obligate a parent paying child support under a custody decree,
23 except that part of the monthly support payment may be used to
24 satisfy the obligations imposed by the order entered pursuant
25 to this section. If a parent fails to pay as ordered, without
26 good reason, the court may proceed against the parent for
27 contempt and may inform the county attorney who shall proceed
28 against the parent to collect the unpaid amount. Any payment
29 ordered by the court shall be a judgment against each of the
30 child's parents and a lien as provided in section 624.23. If
31 all or part of the amount that the parents are ordered to pay is
32 subsequently paid by the county or state, the judgment and lien
33 shall thereafter be against each of the parents in favor of the
34 county to the extent of the county's payments and in favor of
35 the state to the extent of the state's payments.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 Sec. 28. Section 232.141, subsection 4, paragraph b, Code
2 2025, is amended to read as follows:

3 b. Expenses for ~~mental or physical examinations~~ assessments
4 or behavioral health evaluations of a child if ordered by the
5 court.

6 Sec. 29. Section 232.141, subsection 6, Code 2025, is
7 amended to read as follows:

8 ~~6. If a child is given~~ A physical or mental examinations
9 assessment, behavioral health evaluation, or any treatment
10 relating to an assessment performed pursuant to section
11 232.71B, shall be paid by the state if physical assessment,
12 behavioral health evaluation, or other treatment was performed
13 with the consent of the child's parent, guardian, or legal
14 custodian and no other provision of law ~~otherwise~~ requires
15 payment for the costs ~~of the examination and treatment, the~~
16 ~~costs shall be paid by the state.~~ Reimbursement for The
17 department shall reimburse costs of services described in under
18 this subsection is subject to in accordance with subsection 5.

19 Sec. 30. Section 237.1, Code 2025, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 8A. *"Protective locked environment"* means a
22 setting that prevents egress from a building or grounds as a
23 protective measure to ensure safety and security.

24 Sec. 31. Section 237.3, Code 2025, is amended by adding the
25 following new subsection:

26 NEW SUBSECTION. 13. The department shall adopt rules
27 pursuant to chapter 17A relating to the application of a
28 protective locked environment to child foster care licensees.

29 Sec. 32. Section 237C.1, Code 2025, is amended by adding the
30 following new subsection:

31 NEW SUBSECTION. 5. *"Protective locked environment"* means a
32 setting that prevents egress from a building or grounds as a
33 protective measure to ensure safety and security.

34 Sec. 33. Section 237C.4, Code 2025, is amended by adding the
35 following new subsection:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 NEW SUBSECTION. 6A. Rules governing the application of
2 a protective locked environment to a children's residential
3 facility shall be adopted by the department.

4 Sec. 34. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
5 DEPARTMENT OF INSPECTIONS, APPEALS, AND LICENSING —
6 ADMINISTRATIVE RULES.

7 1. The department of health and human services and the
8 department of inspections, appeals, and licensing shall each
9 adopt rules pursuant to chapter 17A to administer this division
10 of this Act. The departments shall coordinate in developing
11 their respective rules to provide continuity for, and maximize
12 utilization of the array of behavioral health services
13 available by, affected individuals.

14 2. a. The department of health and human services and
15 the department of inspections, appeals, and licensing shall
16 review applicable existing rules and shall each adopt rules
17 pursuant to chapter 17A to provide for the following relative
18 to facilities licensed or certified under chapters 135H, 237,
19 and 237C:

20 (1) Consistency to the greatest extent possible regarding
21 the use of restraints and seclusion across these facilities.

22 (2) Adaptation in application of licensing and
23 certification requirements to provide for the unmet residential
24 care needs of affected individuals.

25 b. In reviewing and adopting the rules, the departments
26 shall consider the nature of the services and programming
27 provided by the specific type of facility and applicable
28 federal requirements, including those for psychiatric
29 residential treatment facilities as described in 42 C.F.R.
30 §483.352.

31 3. The department of health and human services shall adopt
32 rules pursuant to chapter 17A relating to the application of
33 a protective locked environment to detention and shelter care
34 as defined in section 232.2. For purposes of this subsection,
35 "protective locked environment" means a setting that prevents

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 egress from a building or grounds as a protective measure to
2 ensure safety and security.

3 Sec. 35. REVIEW OF YOUTH SYSTEMS, SERVICES, AND SUPPORTS.

4 1. a. The department of health and human services shall
5 convene representatives of the department of health and human
6 services, the courts and practitioners involved in civil
7 commitment and juvenile justice proceedings, law enforcement
8 and corrections, hospital systems, service providers,
9 individuals with lived experience and their families, and
10 four members of the general assembly to review the systems
11 and related services and supports for youth, including but
12 not limited to the civil commitment and treatment provisions
13 under chapters 125 and 229, and the juvenile delinquency
14 and child in need of assistance provisions under chapter
15 232. The members of the general assembly shall include two
16 senators, one appointed by the majority leader of the senate
17 and one appointed by the minority leader of the senate, and
18 two representatives, one appointed by the majority leader of
19 the house of representatives and one appointed by the minority
20 leader of the house of representatives.

21 b. The primary goal of the review is to facilitate and
22 enhance the interplay of the multidimensional aspects of the
23 systems, services, and supports for youth and the work of
24 the relevant stakeholders to ensure accessible and effectual
25 processes, procedures, protections, and services for affected
26 youth.

27 2. The department of health and human services shall report
28 the department's findings and recommendations from the review
29 to the governor and the general assembly by October 1, 2025.

30 Sec. 36. REPEAL. 2024 Iowa Acts, chapter 1161, sections 97
31 and 98, are repealed.

32 DIVISION II

33 HOME AND COMMUNITY-BASED SERVICES — HABILITATION SERVICES
34 PROVIDED BY A RESIDENTIAL PROGRAM — EXCLUSION FROM CHILDREN'S
35 RESIDENTIAL FACILITY DEFINITION

LSB 1457HZ (3) 91

-22-

dg/ko

22/36

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 Sec. 37. Section 237C.1, subsection 2, Code 2025, is amended
2 by adding the following new paragraph:

3 NEW PARAGRAPH. *j.* Care furnished to persons sixteen
4 years of age and older by a residential program to which the
5 department applies accreditation, certification, or standards
6 of review under the provisions of a federally approved medical
7 assistance home and community-based services waiver, or other
8 provision of the medical assistance program.

9 Sec. 38. ADMINISTRATIVE RULES. The department of health
10 and human services shall adopt rules pursuant to chapter
11 17A to require that the care furnished by an entity under
12 section 237C.1, subsection 2, paragraph "j", as enacted in
13 this division of this Act, shall be provided to persons under
14 eighteen years of age in settings separate from individuals
15 over the age of twenty-one.

16 DIVISION III

17 DIRECTOR OF JUVENILE COURT SERVICES — CHIEF JUVENILE COURT
18 OFFICERS

19 Sec. 39. Section 602.1101, Code 2025, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 5A. "*Director of juvenile court services*"
22 means the same as defined in the Iowa court rules of juvenile
23 court services directed programs as prescribed by the supreme
24 court and includes the deputy director of juvenile court
25 services.

26 Sec. 40. Section 602.1217, Code 2025, is amended to read as
27 follows:

28 **602.1217 Chief juvenile court officer.**

29 1. ~~The chief judge of~~ director of juvenile court services
30 shall appoint a chief juvenile court officer for each judicial
31 ~~district, after consultation with the judges of the judicial~~
32 ~~district, shall appoint a chief juvenile court officer and may~~
33 ~~remove the a chief juvenile court officer for cause.~~

34 2. The chief juvenile court officer is subject to the
35 immediate supervision and direction of the ~~chief judge of the~~

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 ~~judicial district~~ director of juvenile court services.

2 3. The chief juvenile court officer, in addition to
3 performing the duties of a juvenile court officer, shall
4 supervise juvenile court officers and administer juvenile court
5 services within the judicial district in a uniform manner,
6 under the supervision and direction of the director of juvenile
7 court services, in accordance with law and with the rules,
8 directives, and procedures of the judicial branch and the
9 judicial district.

10 4. The chief juvenile court officer shall assist the state
11 court administrator and the ~~district court administrator~~
12 director of juvenile court services in implementing the rules,
13 directives, and procedures of the judicial branch and the
14 judicial district.

15 5. A chief juvenile court officer shall have other duties
16 as prescribed by the supreme court or by the ~~chief judge of the~~
17 ~~judicial district~~ director of juvenile court services.

18 Sec. 41. Section 602.7201, subsections 2 and 3, Code 2025,
19 are amended to read as follows:

20 2. The juvenile court officers and other personnel
21 employed in juvenile court service offices are subject to
22 the supervision of the chief juvenile court officer. The
23 chief juvenile court officer is subject to the supervision and
24 direction of the director of juvenile court services.

25 3. The chief juvenile court officer may employ, shall
26 supervise, and may remove for cause with due process
27 secretarial, clerical, and other staff within juvenile court
28 service offices as authorized by the ~~chief judge~~ director of
29 juvenile court services.

30 Sec. 42. Section 602.7202, subsection 1, Code 2025, is
31 amended to read as follows:

32 1. Subject to the approval of the ~~chief judge of the~~
33 ~~judicial district~~ director of juvenile court services, the
34 chief juvenile court officer shall appoint juvenile court
35 officers to serve the juvenile court. Juvenile court officers

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 may be required to serve in two or more counties within the
2 judicial district.

3

DIVISION IV

4

HAWKI ELIGIBILITY — PUBLIC INSTITUTION INMATES

5 Sec. 43. Section 514I.8, subsection 2, paragraph g, Code
6 2025, is amended to read as follows:

7 *g.* Is not an inmate of a public institution or a patient in
8 an institution for mental diseases.

9

Sec. 44. NEW SECTION. 514I.8B Inmates of public

10 institutions — suspension of medical assistance.

11 1. Following the first thirty days of commitment, the
12 department shall suspend, but not terminate, the eligibility of
13 an eligible child who is an inmate of a public institution as
14 defined in 42 C.F.R. §435.1010, who is enrolled in the medical
15 assistance program under this chapter at the time of commitment
16 to the public institution, and who remains eligible for medical
17 assistance under this chapter except for the eligible child's
18 institutional status, during the entire period of the eligible
19 child's commitment to the public institution.

20 2. To the extent applicable, the public institution and the
21 department shall comply with the reporting requirements and the
22 expediting of the restoration of an eligible child's medical
23 assistance benefits under this chapter upon the eligible
24 child's discharge, consistent with section 249A.38.

25 3. The department shall adopt rules pursuant to chapter 17A
26 to administer this section.

27

DIVISION V

28

CORRECTIVE CHANGES

29 Sec. 45. Section 125.13, subsection 2, paragraphs a, i, and
30 j, Code 2025, are amended to read as follows:

31 *a.* A hospital providing care or treatment to persons with
32 a substance use disorder licensed under [chapter 135B](#) which is
33 accredited by the joint commission ~~on the accreditation of~~
34 ~~health care organizations~~, the commission on accreditation
35 of rehabilitation facilities, the American osteopathic

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 association, or another recognized organization approved by
2 the department. All survey reports from the accrediting or
3 licensing body must be sent to the department.

4 *i.* A substance use disorder treatment program not funded
5 by the department which is accredited or licensed by the joint
6 ~~commission on the accreditation of health care organizations,~~
7 the commission on the accreditation of rehabilitation
8 facilities, the American osteopathic association, or another
9 recognized organization approved by the department. All survey
10 reports from the accrediting or licensing body must be sent to
11 the department.

12 *j.* A hospital substance use disorder treatment program
13 that is accredited or licensed by the joint commission ~~on the~~
14 ~~accreditation of health care organizations,~~ the commission on
15 the accreditation of rehabilitation facilities, the American
16 osteopathic association, or another recognized organization
17 approved by the department. All survey reports for the
18 hospital substance use disorder treatment program from the
19 accrediting or licensing body shall be sent to the department.

20 Sec. 46. Section 125.43A, Code 2025, is amended to read as
21 follows:

22 **125.43A Prescreening — exception.**

23 Except in cases of medical emergency or court-ordered
24 admissions, a person shall be admitted to a state mental
25 health institute for treatment of a substance use disorder
26 only after a preliminary intake and assessment by a
27 department-licensed treatment facility or a hospital providing
28 care or treatment for persons with a substance use disorder
29 licensed under [chapter 135B](#) and accredited by the joint
30 ~~commission on the accreditation of health care organizations,~~
31 the commission on accreditation of rehabilitation facilities,
32 the American osteopathic association, or another recognized
33 organization approved by the department, or by a designee of
34 a department-licensed treatment facility or a hospital other
35 than a state mental health institute, which confirms that the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 admission is appropriate to the person's substance use disorder
2 service needs. A county board of supervisors may seek an
3 admission of a patient to a state mental health institute who
4 has not been confirmed for appropriate admission and the county
5 shall be responsible for one hundred percent of the cost of
6 treatment and services of the patient.

7 Sec. 47. Section 135B.12, Code 2025, is amended to read as
8 follows:

9 **135B.12 Confidentiality.**

10 The department's final findings or the final survey findings
11 of the joint commission ~~on the accreditation of health care~~
12 ~~organizations~~ or the American osteopathic association with
13 respect to compliance by a hospital or rural emergency hospital
14 with requirements for licensing or accreditation shall be made
15 available to the public in a readily available form and place.
16 Other information relating to a hospital or rural emergency
17 hospital obtained by the department which does not constitute
18 the department's findings from an inspection of the hospital
19 or rural emergency hospital or the final survey findings of
20 the joint commission ~~on the accreditation of health care~~
21 ~~organizations~~ or the American osteopathic association shall
22 not be made available to the public, except in proceedings
23 involving the denial, suspension, or revocation of a license
24 under [this chapter](#). The name of a person who files a complaint
25 with the department shall remain confidential and shall not
26 be subject to discovery, subpoena, or other means of legal
27 compulsion for its release to a person other than department
28 employees or agents involved in the investigation of the
29 complaint.

30 Sec. 48. Section 135B.20, subsection 4, Code 2025, is
31 amended to read as follows:

32 4. "*Joint conference committee*" shall mean the joint
33 conference committee as required by the joint commission ~~on~~
34 ~~accreditation of health care organizations~~ or, in a hospital
35 having no such committee, a similar committee, an equal number

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 of which shall be members of the medical staff selected by the
2 staff and an equal number of which shall be selected by the
3 governing board of the hospital.

4 Sec. 49. Section 135C.2, subsection 7, Code 2025, is amended
5 to read as follows:

6 7. The rules adopted by the department regarding nursing
7 facilities shall provide that a nursing facility may choose
8 to be inspected either by the department or by the joint
9 commission ~~on accreditation of health care organizations~~.

10 The rules regarding acceptance of inspection by the joint
11 commission ~~on accreditation of health care organizations~~ shall
12 include recognition, in lieu of inspection by the department,
13 of comparable inspections and inspection findings of the joint
14 commission ~~on accreditation of health care organizations~~,
15 if the department is provided with copies of all requested
16 materials relating to the inspection process.

17 Sec. 50. Section 135C.6, subsection 10, Code 2025, is
18 amended to read as follows:

19 10. Notwithstanding [section 135C.9](#), nursing facilities
20 which are accredited by the joint commission ~~on accreditation~~
21 ~~of health care organizations~~ shall be licensed without
22 inspection by the department, if the nursing facility has
23 chosen to be inspected by the joint commission ~~on accreditation~~
24 ~~of health care organizations~~ in lieu of inspection by the
25 department.

26 Sec. 51. Section 135J.2, subsection 2, Code 2025, is amended
27 to read as follows:

28 2. The hospice program shall meet the criteria pursuant to
29 section 135J.3 before a license is issued. The department is
30 responsible to provide the necessary personnel to inspect the
31 hospice program, the home care and inpatient care provided and
32 the hospital or facility used by the hospice to determine if
33 the hospice complies with necessary standards before a license
34 is issued. Hospices that are certified as Medicare hospice
35 providers by the department, or are accredited as hospices

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 by the joint commission ~~on the accreditation of health care~~
2 ~~organizations~~, shall be licensed without inspection by the
3 department.

4 Sec. 52. Section 144F.5, subsection 1, Code 2025, is amended
5 to read as follows:

6 1. The standards for accreditation adopted by the joint
7 commission ~~on the accreditation of health care organizations~~
8 or any other nationally recognized hospital accreditation
9 organization.

10 Sec. 53. Section 155A.13, subsection 4, paragraph a,
11 subparagraph (4), Code 2025, is amended to read as follows:

12 (4) Give recognition to the standards of the joint
13 commission ~~on the accreditation of health care organizations~~
14 and the American osteopathic association, and to the conditions
15 of participation under Medicare.

16 Sec. 54. Section 232.2, subsection 4, paragraph i, Code
17 2025, is amended to read as follows:

18 *i.* If reasonable efforts to place a child for adoption or
19 with a guardian are made concurrently with reasonable efforts
20 as defined in ~~section 232.102~~ 232.102A, the concurrent goals
21 and timelines may be identified. Concurrent case permanency
22 plan goals for reunification, and for adoption or for other
23 permanent out-of-home placement of a child shall not be
24 considered inconsistent in that the goals reflect divergent
25 possible outcomes for a child in an out-of-home placement.

26 Sec. 55. Section 232.36, subsection 3, paragraph b,
27 subparagraph (3), Code 2025, is amended to read as follows:

28 (3) ~~Legal custodian~~ Custodian of the child.

29 Sec. 56. Section 232.37, subsection 2, Code 2025, is amended
30 to read as follows:

31 2. Notice of the pendency of the case shall be served upon
32 the known parents, guardians, or ~~legal~~ custodians of a child
33 if these persons are not summoned to appear as provided in
34 subsection 1. Notice shall also be served upon the child and
35 upon the child's guardian ad litem, if any. The notice shall

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 attach a copy of the petition and shall give notification of
2 the right to counsel provided for in [section 232.11](#).

3 Sec. 57. Section 232.101A, subsection 1, paragraph c, Code
4 2025, is amended to read as follows:

5 c. The parent of the child does not appear at the
6 dispositional hearing, or the parent appears at the
7 dispositional hearing, does not object to the transfer of
8 guardianship, and agrees to waive the requirement for making
9 reasonable efforts as defined in ~~section 232.102~~ [232.102A](#).

10 Sec. 58. Section 232.102A, subsection 3, Code 2025, is
11 amended to read as follows:

12 3. The performance of reasonable efforts to place a child
13 for adoption or with a guardian may be made concurrently with
14 making reasonable efforts ~~as defined in this section~~.

15 Sec. 59. Section 232B.5, subsection 19, unnumbered
16 paragraph 1, Code 2025, is amended to read as follows:

17 A party seeking an involuntary foster care placement of
18 or termination of parental rights over an Indian child shall
19 provide evidence to the court that active efforts have been
20 made to provide remedial services and rehabilitative programs
21 designed to prevent the breakup of the Indian family and that
22 these efforts have proved unsuccessful. The court shall not
23 order the placement or termination, unless the evidence of
24 active efforts shows there has been a vigorous and concerted
25 level of casework beyond the level that typically constitutes
26 reasonable efforts as defined in [sections 232.57](#) and ~~232.102~~
27 [232.102A](#). Reasonable efforts shall not be construed to be
28 active efforts. The active efforts must be made in a manner
29 that takes into account the prevailing social and cultural
30 values, conditions, and way of life of the Indian child's
31 tribe. Active efforts shall utilize the available resources
32 of the Indian child's extended family, tribe, tribal and
33 other Indian social service agencies, and individual Indian
34 caregivers. Active efforts shall include but are not limited
35 to all of the following:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 Sec. 60. Section 233.2, subsection 5, Code 2025, is amended
2 to read as follows:

3 5. Reasonable efforts, as defined in section ~~232.102~~
4 232.102A, that are made in regard to the newborn infant shall
5 be limited to the efforts made in a timely manner to finalize a
6 permanency plan for the newborn infant.

7 Sec. 61. Section 237.3, subsection 7, Code 2025, is amended
8 to read as follows:

9 7. If an agency is accredited by the joint commission ~~on~~
10 ~~the accreditation of health care organizations~~ under the joint
11 commission's consolidated standards for residential settings
12 or by the council on accreditation ~~of services for families~~
13 ~~and children~~, the department shall modify facility licensure
14 standards applied to the agency in order to avoid duplicating
15 standards applied through accreditation.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 This bill relates to services and support for youth and is
20 organized by divisions.

21 DIVISION I — TREATMENT, PHYSICAL ASSESSMENTS, AND
22 BEHAVIORAL HEALTH EVALUATIONS. Under current law, a
23 psychiatric medical institution for children (PMIC) is an
24 institution providing more than 24 hours of continuous care
25 involving long-term psychiatric services to 3 or more children
26 in residence for expected periods of 14 days or more for
27 diagnosis and evaluation, or for expected periods of 90 days
28 or more for treatment.

29 The bill exempts PMICs that do not provide substance use
30 disorder services from licensing requirements for maintaining
31 or conducting programs with the primary purpose of treating and
32 rehabilitating persons with a substance use disorder.

33 The bill defines "approved qualifying organization" as
34 the joint commission, the commission on the accreditation of
35 rehabilitation facilities, the council on accreditation, or a

LSB 1457HZ (3) 91

-31-

dg/ko

31/36

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 nationally recognized accrediting organization with standards
2 comparable to the joint commission and commission on the
3 accreditation of rehabilitation facilities that are acceptable
4 under federal regulations.

5 The bill defines "mental health disorder" as a mental
6 disorder as defined in the most recent version of the
7 diagnostic and statistical manual of mental disorders published
8 by the American psychiatric association, or a mental disorder
9 as defined in the most recent version of the international
10 classification of diseases published by the world health
11 organization.

12 The bill defines "protective locked environment" as a
13 setting that prevents egress from a building or grounds as a
14 protective measure to ensure safety and security.

15 The bill defines "record check evaluation system" as the
16 record check evaluation system of HHS used to perform child and
17 dependent adult abuse record checks and to evaluate criminal
18 history and abuse records.

19 The bill defines "serious emotional disturbance" as a
20 diagnosable mental, behavioral, or emotional disorder that
21 meets the diagnostic criteria specified in the most current
22 diagnostic and statistical manual of mental disorders published
23 by the American psychiatric association. "Serious emotional
24 disturbance" does not include a substance use disorder or
25 developmental disorder unless such disorder co-occurs with a
26 diagnosable mental, behavioral, or emotional disorder.

27 The bill defines "substance use disorder" as a diagnosable
28 substance use disorder of sufficient duration to meet
29 diagnostic criteria specified within the most current
30 diagnostic and statistical manual of mental disorders published
31 by the American psychiatric association that results in a
32 functional impairment.

33 The bill defines "youth" as a person who is less than 21
34 years of age.

35 The bill describes the nature of care a PMIC must offer youth

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 with a serious emotional disturbance (SED), a substance use
2 disorder (SUD), or both.

3 Under current law, a person who establishes a PMIC must
4 also hold a license under Code chapter 237 (child foster
5 care facilities) as a comprehensive residential facility for
6 children, or hold a license under Code chapter 125 (substance
7 use disorders) if the facility provides SUD treatment. The
8 bill requires a person who establishes a PMIC to hold a license
9 under Code chapter 237. The person must also hold a license
10 under Code chapter 125 if the PMIC provides SUD treatment.

11 The bill eliminates the requirement that a proposed PMIC be
12 under the direction of an agency which has previously operated
13 a facility for children or adolescents and meets or exceeds
14 requirements for licensure as a comprehensive residential
15 facility for children.

16 The bill requires the department of inspections, appeals
17 and licensing (DIAL), in cooperation with the department of
18 health and human services (HHS), to adopt rules relating to the
19 application of a protective locked environment in a PMIC.

20 The bill defines "behavioral health evaluation" as a
21 comprehensive evaluation of a person's mental and behavioral
22 health by a person licensed under Code chapter 154B
23 (psychology), 154C (social work), or 154D (behavioral science)
24 for purposes including but not limited to identifying a
25 possible behavioral health condition.

26 The bill defines "physical assessment" as direct physical
27 touching, viewing, and medically necessary manipulation of any
28 area of a child's body by a licensed physician.

29 The bill replaces several references to a physical or mental
30 examination with references to a physical assessment (PA) or
31 behavioral health evaluation (BHE) and replaces references to a
32 person's abuse of alcohol or other controlled substances with
33 references to the person having a behavioral health condition.

34 Under current law, one of several specific circumstances
35 must exist before a juvenile court has the authority to enter

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 an ex parte order to direct a peace officer or a juvenile court
2 officer to take custody of a child before or after the filing
3 of a petition under Code chapter 232 (juvenile justice). The
4 bill adds the circumstance when the child's parent, guardian,
5 or legal custodian consents to the removal as a condition that
6 would permit a juvenile court to enter such an ex parte order.
7 The bill creates similar provisions for when a juvenile court
8 may enter an ex parte order for a child to undergo an inpatient
9 PA or an inpatient BHE and when a person authorized to conduct
10 a preliminary investigation in response to a complaint
11 may motion to ask the court to order a child to undergo an
12 inpatient PA or an inpatient BHE.

13 The bill exempts a PMIC from licensing requirements for
14 child foster care.

15 The bill directs HHS and DIAL to adopt rules relating to the
16 application of a protective locked environment to child foster
17 care licensees.

18 The bill directs HHS and DIAL to coordinate in developing
19 rules related to this division of the bill. The bill outlines
20 goals and considerations each department must take into account
21 while adopting such rules.

22 The bill requires HHS to convene a committee made of
23 representatives of several different organizations and persons
24 detailed in the bill to review the systems and related services
25 and supports available for youth, including but not limited to
26 systems, services, and supports related to civil commitment and
27 treatment, juvenile delinquency, and CINA. The bill details
28 the goal of the review and requires HHS to report the review's
29 findings and recommendations to the governor and the general
30 assembly by October 1, 2025.

31 The bill makes conforming changes to Code chapters 135H
32 (psychiatric medical institutions for children) and 232
33 (juvenile justice). The bill repeals 2024 Iowa Acts, chapter
34 1161, sections 97 and 98.

35 DIVISION II — HOME AND COMMUNITY-BASED SERVICES —

LSB 1457HZ (3) 91

-34-

dg/ko

34/36

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 HABILITATION SERVICES PROVIDED BY A RESIDENTIAL PROGRAM —
2 EXCLUSION FROM CHILDREN'S RESIDENTIAL FACILITY DEFINITION.
3 The bill excludes care furnished to persons 16 years of age
4 or older by certain residential programs detailed in the bill
5 from the definition of a children's residential facility. The
6 bill requires HHS to adopt rules to require that care furnished
7 at a residential program to persons under 18 years of age be
8 provided in settings separate from individuals over the age of
9 21.

10 DIVISION III — DIRECTOR OF JUVENILE COURT SERVICES —
11 CHIEF JUVENILE COURT OFFICERS. Under current law, the chief
12 juvenile court officers are appointed, terminated for cause,
13 and otherwise act under the direction and supervision of the
14 chief judge for the judicial district in which the chief
15 juvenile court officer was appointed. The bill transfers the
16 chief judges' authority over chief juvenile court officers to
17 the director of juvenile court services.

18 DIVISION IV — HAWKI ELIGIBILITY — PUBLIC INSTITUTION
19 INMATES. The bill defines "public institution" to mean the
20 same as defined in 42 C.F.R. §435.1010.

21 Current law does not permit a child who is an inmate in a
22 public institution to be eligible for the Hawki program. The
23 bill requires HHS to suspend, but not terminate, Hawki program
24 eligibility for a child in a public institution if the child
25 is otherwise eligible for the Hawki program except for the
26 child's status as an inmate, the child was enrolled in the
27 Hawki program at the time the child was committed to the public
28 institution, and 30 calendar days have elapsed since the date
29 the child was committed to the public institution. A child's
30 suspension of Hawki benefits must continue for the duration of
31 the child's commitment to a public institution.

32 The bill requires the public institution to which a child
33 is committed and HHS to provide monthly reports and expedite
34 the restoration of the child's Hawki benefits upon the child's
35 discharge from the public institution. The bill requires HHS

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 984

1 to adopt rules to administer the bill's provisions related to
2 Hawki benefits for children committed to a public institution.
3 DIVISION V — CORRECTIVE CHANGES. The bill updates
4 references to certain accrediting organizations through the
5 Code, corrects a reference throughout the Code related to
6 the citation for the definition of "reasonable efforts",
7 and changes the term "legal custodian" to the defined term
8 "custodian".

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 985 - Introduced

HOUSE FILE 985
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 198)
(SUCCESSOR TO HSB 17)

A BILL FOR

1 An Act relating to services provided by the secretary of state,
2 providing fees, and making appropriations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 985

1 Section 1. Section 9.4, Code 2025, is amended to read as
2 follows:

3 **9.4 Fees.**

4 1. The secretary of state shall collect all fees directed
5 by law to be collected by the secretary of state, including a
6 fee to be determined by the secretary of state by rule adopted
7 pursuant to chapter 17A for a copy of any law or record.

8 2. a. The secretary of state shall adopt rules pursuant to
9 chapter 17A that specify additional fee amounts to be imposed
10 by the secretary of state for performing services under law.

11 b. For the fiscal year beginning July 1, 2025, and for
12 each fiscal year thereafter, the secretary of state shall not
13 collect additional fee amounts imposed under paragraph "a" of
14 more than two million dollars.

15 c. The secretary of state shall deposit additional fee
16 amounts imposed under paragraph "a" and collected under
17 paragraph "b" in the business services modernization fund
18 created pursuant to section 9.4A.

19 Sec. 2. Section 9.4A, Code 2025, is amended to read as
20 follows:

21 **9.4A Technology Business services modernization fund.**

22 1. A ~~technology modernization~~ business services
23 modernization fund is created in the state treasury under
24 the control of the secretary of state. ~~Moneys in the fund~~
25 ~~are appropriated to the secretary of state for purposes of~~
26 ~~modernizing technology used by the secretary of state to~~
27 ~~fulfill the duties of office.~~

28 2. ~~On and after~~ For the fiscal year beginning July 1, 2022
29 2025, and for each fiscal year thereafter, any unobligated or
30 unencumbered moneys remaining in ~~this~~ the business services
31 modernization fund are appropriated to the secretary of state
32 for purposes of ~~modernization~~ modernizing operations within the
33 business services division until ~~fully expended or until June~~
34 30, 2026, whichever occurs first.

35 3. ~~This section~~ is repealed July 1, 2026.

LSB 1686HZ (3) 91

-1-

da/jh

1/4

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 985

1 Sec. 3. Section 9.15, Code 2025, is amended to read as
2 follows:

3 **9.15 Expedited filing service — surcharge.**

4 1. Upon the request of the filer of a document, the
5 secretary shall provide an expedited filing service. As part
6 of the service, the secretary shall file a document submitted
7 by a filer on an expedited basis.

8 2. The secretary shall implement, assess, and collect a
9 surcharge for providing the expedited filing service based on
10 the period of service as follows:

11 a. For a one-hour service, the surcharge shall be two
12 hundred fifty dollars.

13 b. For a same-day service, the surcharge shall be one
14 hundred seventy-five dollars.

15 c. For a two-day service, the surcharge shall be fifty
16 dollars.

17 ~~b.~~ d. For a five-day service, the surcharge shall be
18 fifteen dollars.

19 3. The surcharge shall be added to the amount of the fee
20 implemented, assessed, and collected for the actual filing of
21 the document.

22 4. At the time of the expedited filing, the secretary shall
23 provide written confirmation of the filing.

24 ~~4.~~ 5. Any moneys collected by the secretary under this
25 section shall be deposited in the business administration fund
26 created in [section 9.13](#).

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with
29 the explanation's substance by the members of the general assembly.

30 GENERAL. This bill amends several sections in Code chapter
31 9 that provides for the collection of fees by the secretary of
32 state (secretary) and the appropriation of moneys from certain
33 funds under the control of the secretary of state to support
34 of the office.

35 BUSINESS SERVICES MODERNIZATION. Code section 9.4 requires

LSB 1686HZ (3) 91

-2-

da/jh

2/4

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 985

1 the secretary to collect all fees directed to be collected
2 by the secretary. This includes a special fee imposed by
3 the secretary for providing a copy of a law or record. The
4 secretary is authorized to determine the amount of the special
5 fee by rule. The bill amends that section by authorizing
6 the secretary to adopt by rule additional fee amounts to be
7 imposed and collected by the secretary. For each fiscal
8 year beginning on or after July 1, 2025, the secretary
9 cannot collect more than \$2 million in such additional fee
10 amounts. The fee amounts are to be deposited in the technology
11 modernization fund created in Code section 9.4A. Moneys in the
12 fund are appropriated to the secretary of state for purposes
13 of modernizing technology used by the secretary to fulfill
14 the duties of office. The Code section is repealed on July
15 1, 2026. The bill renames the fund to the business services
16 modernization fund and revises its purpose. Under the bill,
17 for each fiscal year beginning on or after July 1, 2025, moneys
18 in the fund are appropriated to the secretary for purposes of
19 modernizing operations within the business services division.
20 The bill eliminates the repeal.

21 BUSINESS ADMINISTRATION. The bill amends a provision
22 enacted in 2021 Iowa Acts, chapter 165, section 253, which
23 requires the secretary to establish and administer programs
24 providing extra services to filers of documents under a number
25 of Code sections regulating business entities. Code section
26 9.15 requires the secretary to offer a service in which
27 a business document is filed on an expedited basis. This
28 includes two additional surcharges for expedited services:
29 for a two-day service, an additional \$50, and for a five-day
30 service, an additional \$15. Moneys collected from the
31 surcharges are deposited in the business administration fund
32 (fund) created in the same Act (Code section 9.13). Moneys in
33 the fund are appropriated to the office of the secretary for
34 the exclusive purpose of administering business organization
35 statutes (Code Title XII). The specific business entities

LSB 1686HZ (3) 91

-3-

da/jh

3/4

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 985

1 include partnerships (Code section 486A.105A), limited
2 partnerships (Code section 488.206A), limited liability
3 companies (Code section 489.122A), for-profit corporations
4 (Code section 490.120A), other corporations for pecuniary
5 profit (Code section 491.5A), traditional modern cooperative
6 associations (Code section 499.44A), closed cooperatives
7 (Code section 501.105A), cooperatives organized under the
8 Iowa cooperative associations Act (Code section 501A.201A),
9 and nonprofit corporations (Code section 504.111A). The bill
10 provides two additional surcharges for such services: for a
11 one-hour service, an additional \$250, and for same-day service,
12 an additional \$175. At the time of the expedited filing, the
13 secretary must provide a written confirmation of an expedited
14 filing.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 986 - Introduced

HOUSE FILE 986
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 911)
(SUCCESSOR TO HSB 256)

A BILL FOR

1 An Act relating to matters under the purview of the department
2 of insurance and financial services, and the utilities
3 commission, including financial literacy and exploitation,
4 tax confidentiality, health insurance rates, health savings
5 accounts, insurer withdrawals, property insurance, service
6 contracts, and cross-subsidization of public utilities, and
7 including penalties.

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

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

DIVISION I

FINANCIAL LITERACY AND FINANCIAL EXPLOITATION

1
2
3 Section 1. Section 502.410, subsection 2, Code 2025, is
4 amended to read as follows:

5 2. *Agents.* The fee for an individual is forty dollars
6 when filing an application for registration as an agent, a fee
7 of forty dollars when filing a renewal of registration as an
8 agent, and a fee of forty dollars when filing for a change of
9 registration as an agent. Of each forty-dollar fee collected,
10 ten dollars is appropriated to the ~~securities investor~~
11 ~~education and financial literacy training fund established~~
12 under financial literacy and investor education fund created
13 in section 502.601, subsection 5 546.14, and ten dollars is
14 appropriated to the financial exploitation prevention fund
15 created in section 546.15. If the filing results in a denial
16 or withdrawal, the administrator shall retain the fee.

17 Sec. 2. Section 502.601, subsection 4, Code 2025, is amended
18 by striking the subsection and inserting in lieu thereof the
19 following:

20 4. *Financial literacy and investor education.* Initiatives
21 involving financial literacy and investor education shall
22 comply with the initiatives in section 546.14, subsection 1,
23 and section 546.15, subsection 1.

24 Sec. 3. Section 502.601, subsection 5, Code 2025, is amended
25 by striking the subsection.

26 Sec. 4. Section 505.7, subsection 3, Code 2025, is amended
27 to read as follows:

28 3. ~~Forty percent of the nonexamination~~ Nonexamination
29 revenues payable to the division of insurance or the department
30 of revenue in connection with the regulation of insurance
31 companies or other entities subject to the regulatory
32 jurisdiction of the division shall be deposited in the commerce
33 revolving fund created in section 546.12 and shall be subject
34 to annual appropriation to the division for its operations
35 and is also subject to expenditure under subsection 6. ~~The~~

LSB 1437HZ (2) 91

-1-

nls/ko

1/41

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 ~~remaining nonexamination revenues payable to the division of~~
2 ~~insurance or the department of revenue shall be deposited in~~
3 ~~the general fund of the state.~~

4 Sec. 5. Section 546.2, subsection 4, Code 2025, is amended
5 by adding the following new paragraph:

6 NEW PARAGRAPH. *g.* To identify and coordinate appropriate
7 opportunities for collaboration under sections 546.14 and
8 546.15 with the chief administrative officers of each division
9 and each chief administrative officer's respective regulated
10 entities.

11 Sec. 6. NEW SECTION. **546.14 Financial literacy and investor**
12 **education fund.**

13 1. The director shall develop and implement financial
14 literacy and investor education initiatives for the public by
15 providing education on financial topics, including but not
16 limited to the topics required to be offered and taught for
17 grades nine through twelve under section 256.11, subsection 5,
18 paragraph "k", subparagraph (1).

19 2. A financial literacy and investor education fund is
20 created in the state treasury under the control of the director
21 for the purposes specified in subsection 1. The fund shall
22 consist of any moneys appropriated to the fund by the general
23 assembly and any other moneys available and obtained or
24 accepted by the department for placement in the fund including
25 all of the following:

26 *a.* Moneys appropriated to the fund pursuant to section
27 502.410, subsection 2.

28 *b.* Notwithstanding any provision of law to the contrary,
29 the director may, at the director's discretion, transfer up to
30 two hundred fifty thousand dollars from the commerce revolving
31 fund created in section 546.12 to complete the objectives under
32 subsection 1.

33 *c.* Notwithstanding any provision of law to the contrary,
34 any moneys received by the department by reason of civil
35 penalties assessed pursuant to chapter 502 may be deposited

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 in the financial literacy and investor education fund at the
2 discretion of the director.

3 *d.* The director may collaborate with organizations with an
4 interest in financial literacy and investor education. The
5 director may accept a grant or donation to be placed in the
6 financial literacy and investor education fund.

7 3. Notwithstanding any provision of law to the contrary,
8 moneys in the financial literacy and investor education fund
9 may be transferred to the financial exploitation prevention
10 fund in section 546.15 at the discretion of the director.

11 4. Notwithstanding section 12C.7, subsection 2, interest or
12 earnings on moneys in the fund shall be credited to the fund.
13 Notwithstanding section 8.33, moneys appropriated in this
14 section that remain unencumbered or unobligated at the close of
15 a fiscal year shall not revert but shall remain available for
16 expenditure for the purposes designated.

17 Sec. 7. NEW SECTION. 546.15 **Financial exploitation**
18 **prevention fund.**

19 1. The director shall develop and implement initiatives to
20 accomplish all of the following:

21 *a.* Educate the public on financial exploitation.

22 *b.* Assist individuals who are known, suspected, or potential
23 victims of financial exploitation.

24 *c.* Conduct investigations, refer investigations to other law
25 enforcement, and assist in the prosecution of persons involved
26 in financial exploitation.

27 2. A financial exploitation prevention fund is created
28 in the state treasury under the control of the director and
29 consists of any moneys appropriated to the fund by the general
30 assembly for the purposes of subsection 1, and any other moneys
31 available and obtained or accepted by the department for
32 placement in the fund including all of the following:

33 *a.* Moneys appropriated to the fund pursuant to section
34 502.410, subsection 2.

35 *b.* Notwithstanding any provision of law to the contrary, the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 director may, at the director's discretion, transfer up to two
2 hundred fifty thousand dollars from the commerce revolving fund
3 to complete the objectives of this section.

4 *c.* Notwithstanding any provision of law to the contrary,
5 any moneys received by the department as a result of civil
6 penalties assessed pursuant to chapter 502 may be placed into
7 the financial exploitation prevention fund at the discretion of
8 the director.

9 *d.* The director may collaborate with organizations with an
10 interest in financial exploitation prevention and education.

11 *e.* The director may accept a grant or donation to be placed
12 in the financial exploitation prevention fund.

13 3. Notwithstanding section 12C.7, subsection 2, interest or
14 earnings on moneys in the fund shall be credited to the fund.
15 Notwithstanding section 8.33, moneys appropriated in this
16 section that remain unencumbered or unobligated at the close of
17 a fiscal year shall not revert but shall remain available for
18 expenditure for the purposes designated.

19 4. *a.* All investigation files, investigation reports,
20 and all other investigative information in the possession of
21 the department pursuant to this section shall be confidential
22 records under chapter 22, except as specifically provided in
23 this section, and shall not be subject to release by discovery,
24 subpoena, or other means of legal compulsion until opened for
25 public inspection by the department, or upon the consent of
26 the department, or until a court of competent jurisdiction
27 determines, after notice to the department and hearing,
28 that the department will not be unnecessarily hindered in
29 accomplishing the purposes of this section if opened for public
30 inspection. Investigative information in the possession of
31 the department may be disclosed, in the director's discretion,
32 to appropriate regulatory or law enforcement agencies within
33 the state, another state, the District of Columbia, or another
34 territory or country.

35 *b.* The director may share documents, materials, or other

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 information, including confidential and privileged documents,
2 materials, or other information, with any person provided
3 that the recipient agrees to maintain the confidential
4 and privileged status of the document, material, or other
5 information pursuant to Iowa law.

6 c. The director may receive documents, materials, or other
7 information, including confidential and privileged documents,
8 materials, or other information from any person and shall
9 maintain as confidential and privileged any document, material,
10 or other information received with notice or the understanding
11 that it is confidential or privileged under the laws of the
12 jurisdiction that is the source of the document, material, or
13 other information.

14 d. The director may enter into an agreement governing the
15 sharing and use of documents, materials, or other information
16 consistent with this section.

17 e. An investigator or other staff member of the department
18 shall not be subject to subpoena in a civil action concerning
19 any matter of which the department investigator or other staff
20 member has knowledge pursuant to a pending or continuing
21 investigation conducted by the department pursuant to this
22 chapter.

23 Sec. 8. TRANSFER OF MONEYS. On the effective date of this
24 division of this Act, any unencumbered and unobligated moneys
25 remaining in the securities investor education and financial
26 literacy training fund created in section 502.601 shall be
27 transferred to the financial literacy and investor education
28 fund created in section 546.14, as enacted in this division of
29 this Act.

30 DIVISION II

31 TAX ON GROSS PREMIUMS — CONFIDENTIALITY

32 Sec. 9. Section 432.1, Code 2025, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 7. a. A tax return filed under this
35 section shall not be subject to inspection under chapter 22.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 It shall be unlawful for any present or former officer or
2 employee of the state to willfully or recklessly publish any
3 tax return filed under this section. A person who violates
4 this paragraph shall be guilty of a serious misdemeanor and, in
5 addition to any other penalty, shall be dismissed from state
6 office or discharged from state employment.

7 *b.* This section shall not be construed to prohibit the
8 department of revenue from turning over information and tax
9 returns in the department of revenue's possession pursuant
10 to this subsection to duly authorized officers of the United
11 States, or tax officials of other states, pursuant to an
12 agreement between the commissioner of insurance and any of the
13 following:

14 (1) The secretary of the treasury of the United States, or
15 the secretary's delegate.

16 (2) The commissioner of insurance of another state.

17 Sec. 10. Section 432.1A, Code 2025, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 8. *a.* A tax return filed under this
20 section shall not be subject to inspection under chapter 22.
21 It shall be unlawful for any present or former officer or
22 employee of the state to willfully or recklessly publish any
23 tax return filed under this section. A person who violates
24 this paragraph shall be guilty of a serious misdemeanor and, in
25 addition to any other penalty, shall be dismissed from state
26 office or discharged from state employment.

27 *b.* This section shall not be construed to prohibit the
28 department of revenue from turning over information and
29 tax returns in the department's possession pursuant to this
30 subsection to duly authorized officers of the United States, or
31 tax officials of other states, pursuant to an agreement between
32 the commissioner of insurance and any of the following:

33 (1) The secretary of the treasury of the United States, or
34 the secretary's delegate.

35 (2) The commissioner of insurance of another state.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 DIVISION III
2 HEALTH INSURANCE RATE INCREASES — PUBLIC HEARINGS
3 Sec. 11. Section 505.19, subsection 2, Code 2025, is amended
4 to read as follows:
5 2. The commissioner ~~shall~~ may hold a public hearing
6 at the time a carrier files for proposed health insurance
7 rate increases exceeding the average annual health spending
8 growth rate as provided in subsection 1, prior to approval or
9 disapproval of the proposed rate increases for that carrier by
10 the commissioner.

11 DIVISION IV
12 HEALTH SAVINGS ACCOUNTS AND QUALIFIED HIGH-DEDUCTIBLE HEALTH
13 PLANS — COST-SHARING
14 Sec. 12. NEW SECTION. 509.3B Health savings accounts and
15 qualified high-deductible health plans — cost-sharing.
16 If a copayment, coinsurance, or deductible paid as
17 cost-sharing by an enrollee under this chapter may result in
18 the enrollee becoming ineligible for a health savings account
19 associated with the enrollee's qualified high-deductible
20 health plan under section 223 of the Internal Revenue Code,
21 the cost-sharing shall apply only to the enrollee's qualified
22 high-deductible health plan after the enrollee satisfies the
23 enrollee's minimum deductible, except for items or services
24 determined to be preventive care under section 223(c)(2)(C) of
25 the Internal Revenue Code.

26 Sec. 13. NEW SECTION. 514A.3C Health savings accounts and
27 qualified high-deductible health plans — cost-sharing.
28 If a copayment, coinsurance, or deductible paid as
29 cost-sharing by an enrollee under this chapter may result in
30 the enrollee becoming ineligible for a health savings account
31 associated with the enrollee's qualified high-deductible
32 health plan under section 223 of the Internal Revenue Code,
33 the cost-sharing shall apply only to the enrollee's qualified
34 high-deductible health plan after the enrollee satisfies the
35 enrollee's minimum deductible, except for items or services

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 determined to be preventive care under section 223(c)(2)(C) of
2 the Internal Revenue Code.

3 DIVISION V

4 INSURANCE COMPANY WITHDRAWAL REQUIREMENTS

5 Sec. 14. NEW SECTION. 505.36 Insurer — withdrawal
6 requirements.

7 1. *Definitions.* As used in this section, unless the context
8 otherwise requires:

9 a. "Commissioner" means the commissioner of insurance.

10 b. "Insurer" means an insurance company, an affiliate of
11 an insurance company, or other legal entity authorized to
12 engage in the business of insurance in this state, including
13 a reciprocal exchange, an interinsurance exchange, and a
14 lloyd's plan. "Insurer" does not include an eligible surplus
15 lines insurer under chapter 515I, a county mutual insurance
16 association under chapter 518, a state mutual insurance
17 association under chapter 518A, an entity offering health
18 coverage, or an entity offering accident and sickness coverage.

19 2. *Exemption.* This section shall not apply to a transfer of
20 business from one insurer to another insurer if the insurer to
21 whom the business is being transferred is all of the following:

22 a. Within the same insurance holding company system as the
23 insurer from whom business is being transferred.

24 b. Authorized to engage in the business of insurance in this
25 state.

26 c. Not a reciprocal or interinsurance exchange, a lloyd's
27 plan, a state mutual insurance association, or a county mutual
28 insurance association.

29 3. *Withdrawal plan required.*

30 a. An insurer shall file a withdrawal plan with the
31 commissioner in any of the following circumstances:

32 (1) The insurer intends to reduce the insurer's total annual
33 premium volume in the state by fifty percent or more.

34 (2) The insurer intends to reduce the insurer's total annual
35 premium in the state in a line of insurance by seventy-five

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 percent or more.

2 (3) The insurer intends to reduce the insurer's total annual
3 premium volume in the state in a line of private passenger
4 automobile insurance, homeowners insurance, or dwelling
5 property insurance by fifty percent or more.

6 b. If an insurer intends to restrict writing new business
7 in the state, but not to an extent that requires the insurer
8 to file a plan for orderly withdrawal under paragraph "a", the
9 insurer shall provide prior written notice to the commissioner
10 of the insurer's intent to restrict writing new business in the
11 state.

12 4. *Withdrawal plan.*

13 a. A withdrawal plan filed under this section shall provide
14 for all of the following:

15 (1) The insurer fulfilling all contractual obligations.

16 (2) The insurer providing service to all policyholders and
17 claimants.

18 (3) The insurer meeting all statutory obligations,
19 including but not limited to payment of assessments to the
20 guaranty fund and participation in an assigned risk plan.

21 b. A withdrawal plan filed pursuant to this section shall,
22 at a minimum, include all of the following:

23 (1) The date on which the insurer proposes to commence
24 execution of the withdrawal plan, and the date on which
25 execution of the withdrawal plan will be completed.

26 (2) The reason for withdrawal for each line of insurance.

27 (3) Each policy form by number, and all of the following
28 information:

29 (a) The total number of policyholders.

30 (b) The total amount of premiums impacted for each line of
31 insurance.

32 (4) The total number of insurance producers impacted for
33 each line of insurance.

34 (5) A copy of the notification the insurer will provide to
35 each impacted insurance producer.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 (6) A copy of the notification or nonrenewal the insurer
2 will provide to each impacted policyholder.

3 (7) Details regarding the insurer's fulfillment of
4 contractual obligations to the insurer's policyholders during
5 the withdrawal.

6 (8) Whether replacement coverage will be provided to a
7 policyholder and, if so, the insurer shall provide all of the
8 following:

9 (a) The insurer's relationship with the replacing insurer.

10 (b) The underwriting requirements and rates that will be
11 used to underwrite the policyholder.

12 (9) An estimate of the percentage of the Iowa market
13 affected by withdrawal.

14 (10) Any third-party contracts that provide for continuity
15 of coverage for policyholders.

16 (11) A list of the lines of insurance that the insurer will
17 continue to offer in the state.

18 5. *Commissioner approval.*

19 a. Except as provided in paragraph "b", the commissioner
20 shall approve a withdrawal plan that has been determined to
21 meet all of the following requirements:

22 (1) The withdrawal plan provides a minimum of one hundred
23 eighty calendar days' notice to the commissioner.

24 (2) The withdrawal plan includes notice to policyholders as
25 required by chapter 515.

26 (3) The withdrawal plan complies with subsection 4.

27 b. If the commissioner finds that a withdrawal plan does
28 not comply with paragraph "a", the commissioner may modify,
29 restrict, limit, or deny the withdrawal plan.

30 c. An insurer may request a hearing within thirty calendar
31 days of the commissioner's decision to modify, restrict, limit,
32 or deny the insurer's withdrawal plan. A hearing under this
33 paragraph shall be held within sixty calendar days of the
34 insurer's request unless a later date is agreed to by the
35 insurer and the commissioner, or permitted by the commissioner

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 for good cause.

2 6. *Resumption of writing insurance after withdrawal.* An
3 insurer that withdraws from writing all lines of insurance
4 in the state shall not, without prior approval of the
5 commissioner, resume writing insurance in the state for a
6 minimum of five years from the date of completion of the
7 insurer's withdrawal.

8 7. *Remedies.* A violation of this section shall constitute
9 an unfair method of competition and unfair or deceptive act or
10 practice under section 507B.4.

11 8. *Rules.* The commissioner may adopt rules pursuant
12 to chapter 17A as necessary to administer and enforce this
13 section.

14 Sec. 15. Section 507B.4, subsection 3, Code 2025, is amended
15 by adding the following new paragraph:

16 NEW PARAGRAPH. *v. Improper withdrawal of an*
17 *insurer.* Failure of an insurer to comply with section
18 505.36. As used in this paragraph, "insurer" means the same as
19 defined in section 505.36, subsection 1.

20 DIVISION VI

21 REPLACEMENT COST, ACTUAL CASH VALUE, AND LINE OF SIGHT

22 Sec. 16. NEW SECTION. 515.116 **Line of sight.**

23 1. *Definitions.* As used in this section, unless the context
24 otherwise requires:

25 a. "Actual cash value" means the replacement cost of
26 property at the time of loss, less depreciation, if any.

27 b. "Line of sight" means any location a reasonable person
28 would stand, on the ground or any floor of an insured's damaged
29 structure, to view, without obstruction or the use of aerial
30 tools or technology, the damaged area of the interior or
31 exterior of the damaged structure from a reasonable distance.

32 "Line of sight" is not limited to a view of the insured's
33 damaged structure from the location at which the damage
34 occurred.

35 c. "Reasonable distance" means, for exterior repair or

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 replacement, a vantage point approximately thirty feet from
2 where the repair or replacement is to occur. A *reasonable*
3 *distance* for interior repair or replacement means a vantage
4 point approximately five feet from where the repair or
5 replacement is to occur. Based on a particular property,
6 *reasonable distance* may be determined to be greater than or
7 less than thirty feet for exterior repair, or greater than or
8 less than five feet for interior repair.

9 *d. Reasonably similar appearance* means if, within a line
10 of sight, a person viewing the repaired or replaced property
11 would find the property to resemble the property's preloss
12 condition. Whether a replacement results in a reasonably
13 similar appearance is a fact-specific determination made
14 on a case-by-case basis considering the totality of the
15 circumstances.

16 *e. Reasonably similar product* means a product of like
17 kind, quality, color, and size. *Reasonably similar product*
18 does not mean an exact match.

19 2. *Replacement cost.* For an insurance policy providing
20 for the adjustment and settlement of first-party losses based
21 on replacement cost, unless the insurance policy, a rider, or
22 an endorsement specifically provides otherwise, all of the
23 following shall apply:

24 *a.* When a loss requires repair or replacement of a product
25 or part, consequential physical damage incurred during the
26 repair or replacement of the product or part, not otherwise
27 excluded by the policy, shall be included in the calculation of
28 loss. The insured shall not be required to pay for betterment
29 or other costs, except for any applicable deductible.

30 *b.* When a loss requires replacement of a product and the
31 product to be replaced remains available for purchase, the
32 identical product shall be used to repair or replace the
33 damaged product, even if the undamaged existing product shows
34 discoloration due to age or normal wear and tear. If the
35 identical product is not available for purchase, the insurer

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 shall use a reasonably similar product to achieve a reasonably
2 similar appearance.

3 3. *Actual cash value.* For an insurance policy providing
4 for adjustment and settlement of first-party losses based on
5 actual cash value, unless the insurance policy, a rider, or
6 an endorsement specifically provides otherwise, all of the
7 following shall apply:

8 a. For residential fire and extended coverage, the insurer
9 shall determine the actual cash value. The insurer shall
10 provide a copy of the claim file worksheet detailing all
11 deductions for depreciation. Upon request by the insured, the
12 insurer shall provide a detailed written explanation of the
13 manner in which depreciation was calculated.

14 b. Where the insured's interest is limited because
15 damaged property has nominal or no economic value, or a value
16 disproportionate to replacement cost less depreciation, a
17 determination of actual cash value shall not be required. At
18 the request of the insured, the insurer shall provide a written
19 explanation of the basis for limiting the amount of recovery,
20 the amount payable under the policy, and the manner in which
21 actual cash value was determined.

22 DIVISION VII

23 SERVICE COMPANIES, SERVICE CONTRACTS, AND LICENSES

24 Sec. 17. Section 507B.4, subsection 3, Code 2025, is amended
25 by adding the following new paragraph:

26 NEW PARAGRAPH. v. *Service contracts.* Failure of a person
27 in the business of service contracts to comply with chapter
28 523C.

29 Sec. 18. Section 523C.1, Code 2025, is amended by adding the
30 following new subsections:

31 NEW SUBSECTION. 1A. "*Communicating in a verifiable manner*"
32 means communication by in-person delivery, email, or, if there
33 is an auditable record of the communication, by telephone.

34 NEW SUBSECTION. 6A. "*Person*" means an individual or a
35 business entity.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 NEW SUBSECTION. 12A. "*Service contract holder*" means the
2 original purchaser of a service contract or the successor in
3 interest or transferee entitled to services under the service
4 contract.

5 NEW SUBSECTION. 12B. "*Substitute part*" means a part that is
6 not issued by the original part manufacturer, including but not
7 limited to a remanufactured part, an aftermarket part, and a
8 part obtained from a salvage yard.

9 NEW SUBSECTION. 12C. "*Support services*" means a person that
10 provides services that support, or a person that works under
11 the direction of, a licensed service company in connection with
12 the issuance, offer for sale, sale, or administration of a
13 service contract in this state, including but not limited to a
14 person that provides marketing, administrative, or technical
15 support to a service company.

16 Sec. 19. Section 523C.1, subsection 4, Code 2025, is amended
17 to read as follows:

18 4. "*Motor vehicle*" means any vehicle that is self-propelled
19 vehicle and subject to registration under chapter 321 or
20 chapter 321I.

21 Sec. 20. Section 523C.2, Code 2025, is amended by striking
22 the section and inserting in lieu thereof the following:

23 **523C.2 License required.**

24 1. A person that shall be contractually obligated to the
25 service contract holder under the terms of the service contract
26 shall not directly or indirectly issue, offer for sale, or
27 sell a motor vehicle service contract or residential service
28 contract in this state unless the person is a licensed service
29 company.

30 2. This chapter shall not apply to any person that provides
31 support services. A service company that utilizes support
32 services shall ensure the support services' compliance with the
33 issuance, offer for sale, or sale of a service contract under
34 this chapter.

35 3. A service company shall maintain a license for the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 duration of time that the service company is contractually
2 obligated to a service contract holder under the terms of a
3 service contract.

4 4. A service company shall report to the commissioner
5 within thirty calendar days any material change to the
6 information submitted by the service company in the service
7 company's initial license application, or license renewal
8 application, including a change in the service company's
9 contact information, ownership, officers or directors directly
10 responsible for the provider's service contract business,
11 or any other change that substantially affects the service
12 company's operations in the state.

13 5. A service company shall report to the commissioner any
14 administrative action taken against the service company in
15 another jurisdiction within thirty calendar days of the final
16 disposition. The report shall include a copy of the order,
17 consent to the order, and other relevant legal documents.

18 6. Within thirty calendar days of the initial pretrial
19 hearing date, a service company shall report to the
20 commissioner a criminal prosecution in any jurisdiction of an
21 owner with more than a ten percent ownership stake, an officer,
22 or a director directly responsible for the service contract
23 business of the service company, for an offense involving
24 dishonesty or a false statement including but not limited
25 to fraud, theft, misappropriation of funds, falsification
26 of documents, deceptive acts or practices, or other related
27 offenses. The report shall include a copy of the initial
28 complaint filed, the order resulting from the hearing, and any
29 other relevant legal documents.

30 Sec. 21. Section 523C.3, Code 2025, is amended by striking
31 the section and inserting in lieu thereof the following:

32 **523C.3 Application for license.**

33 1. Application for a license as a service company
34 shall be filed with the commissioner on a form approved
35 by the commissioner and shall include all of the following

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 information:

2 *a.* The name and principal address of the applicant.

3 *b.* The state of incorporation of the applicant.

4 *c.* The name and address of the applicant's registered agent
5 for service of process in Iowa.

6 *d.* The legal name of all of the following:

7 (1) Each owner of the service company that has a greater
8 than ten percent ownership stake in the service company.

9 (2) Each officer of the service company.

10 (3) Each director directly responsible for the business of
11 the service company.

12 *e.* A certificate of good standing for the applicant issued
13 by the secretary of state and dated not more than thirty
14 calendar days from the date of the application.

15 *f.* Evidence of compliance with section 523C.5.

16 *g.* A copy of each motor vehicle service contract form to be
17 used, issued, or offered for sale in this state by the service
18 company.

19 *h.* A copy of each residential service contract form to be
20 used, issued, or offered for sale in this state by the service
21 company.

22 *i.* A national association of insurance commissioners'
23 biographical affidavit and the verification of the biographical
24 affidavit for the chief executive officer and chief financial
25 officer of the service company, or for the individuals in
26 the equivalent positions. The service company shall use a
27 third-party vendor from a list of vendors approved by the
28 commissioner to verify the biographical affidavits. The
29 service company shall pay all costs associated with the
30 required verifications.

31 *j.* A list of any disciplinary actions taken against the
32 service company, or any of the service company's owners,
33 officers, or directors directly responsible for the provider's
34 service contract business, in the immediately preceding ten
35 years by a regulatory agency or state attorney general in any

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 jurisdiction.

2 2. The application shall be accompanied by all of the
3 following:

4 a. A license fee in the amount of five hundred dollars.

5 b. A fee in the amount of thirty-five dollars for each motor
6 vehicle service contract form provided pursuant to subsection
7 1, paragraph "g".

8 3. If the application for a service company license contains
9 the information under subsection 1, is accompanied by the fees
10 under subsection 2, and the commissioner has not denied the
11 application pursuant to section 523C.9, the commissioner shall
12 issue the license to the applicant.

13 4. Fees collected under this section shall be deposited
14 into the service company oversight fund as provided in section
15 523C.24.

16 Sec. 22. Section 523C.4, Code 2025, is amended by striking
17 the section and inserting in lieu thereof the following:

18 **523C.4 License expiration and renewal.**

19 1. A license issued under this chapter shall be valid for a
20 period of one year. A license that is not renewed prior to the
21 expiration date shall be deemed expired. Prior to a license
22 expiration date, and if a renewal application was submitted at
23 least fourteen calendar days prior to the license expiration
24 date, the commissioner may extend the renewal period for an
25 additional thirty calendar days.

26 2. An application for license renewal shall include the
27 information required for an initial license as described in
28 section 523C.3, subsection 1, paragraphs "a" through "f",
29 and a list of each service contract form the service company
30 continues to use, offer for sale, or issue in the state,
31 including the service contract form name, number, and the date
32 the form was last revised.

33 3. The license renewal application shall be accompanied by
34 all of the following:

35 a. A license renewal fee in the amount of two hundred

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 dollars.

2 *b.* A fee in the amount of three percent of the aggregate
3 amount of payments the service company received for the sale
4 or issuance of residential service contracts in this state
5 during the period beginning on the date the service company's
6 license was issued until the date of the service company's
7 renewal filing, provided that such fee shall be no less than
8 one hundred dollars and no greater than fifty thousand dollars.

9 *c.* A fee in the amount of thirty-five dollars for each motor
10 vehicle service contract form filed with the commissioner that
11 the service company continues to use, offer for sale, or issue
12 in the state.

13 *d.* The number of motor vehicle service contracts and the
14 number of residential service contracts issued during the
15 immediately preceding calendar year by the service company in
16 this state.

17 *e.* The number of motor vehicle service contracts and the
18 number of residential service contracts canceled during the
19 immediately preceding calendar year by the service company in
20 this state.

21 *f.* The total dollar amount of refunds issued to service
22 contract holders by the service company during the immediately
23 preceding calendar year for canceled motor vehicle service
24 contracts in this state, and the total dollar amount of refunds
25 issued to service contract holders by the service company
26 during the immediately preceding calendar year for canceled
27 residential service contracts in this state.

28 *g.* The total dollar amount of motor vehicle service contract
29 fees, and the total dollar amount of residential service
30 contract fees, collected during the immediately preceding
31 calendar year by the service company for contracts sold in this
32 state.

33 *h.* The number of claims filed with the service company
34 for motor vehicle service contracts in this state during
35 the immediately preceding calendar year, and the number of

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 claims filed with the service company for residential service
2 contracts in this state during the immediately preceding
3 calendar year.

4 *i.* The total dollar amount of claims paid by the service
5 company for motor vehicle service contracts sold by the service
6 company in this state during the immediately preceding calendar
7 year, and the total dollar amount of claims paid by the service
8 company for residential service contracts sold by the service
9 company in this state during the immediately preceding calendar
10 year.

11 *j.* The total number of claims during the immediately
12 preceding calendar year for motor vehicle service contracts
13 in this state that did not result in repair, replacement,
14 payment, or other thing of value to the service contract
15 holder by the service company, and the total number of claims
16 during the immediately preceding calendar year for residential
17 service contracts in this state that did not result in repair,
18 replacement, payment, or other thing of value to the service
19 contract holder by the service company.

20 *k.* The total number of written complaints regarding motor
21 vehicle service contracts received by the service company
22 during the immediately preceding calendar year, and the
23 total number of written complaints regarding residential
24 service contracts received by the service company during the
25 immediately preceding calendar year, including complaints
26 received directly from a consumer, indirectly on behalf of a
27 consumer from a third party other than a regulatory agency, and
28 from a regulatory agency.

29 *l.* The number of lawsuits filed by a third party or a
30 regulatory agency, against the service company during the
31 immediately preceding calendar year regarding service contracts
32 issued, offered for sale, or sold by the service company.

33 4. If the license renewal application complies with this
34 section, and the commissioner has not refused to renew the
35 license pursuant to section 523C.9, the commissioner shall

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 renew the license. If the commissioner refuses renewal of a
2 license pursuant to section 523C.9, the refusal shall be in
3 writing setting forth the grounds for the refusal.

4 5. If a service company submits a license renewal
5 application after the license has expired, the service company
6 shall pay a reinstatement fee of eight hundred dollars, and
7 applicable fees pursuant to subsection 3.

8 6. a. A service company whose license has expired, and is
9 not within an additional thirty-day extension period granted
10 by the commissioner pursuant to section 523C.4, subsection 1,
11 shall not offer, extend, or renew a service contract until the
12 service company's license has been renewed, or the service
13 company has been issued a new license.

14 b. If, at the time a service contract is issued or sold in
15 this state, the service company has an expired license that is
16 not within an additional thirty-day extension period granted
17 by the commissioner pursuant to section 523C.4, subsection 1,
18 the service contract may be canceled at the discretion of the
19 service contract holder. If a service contract holder chooses
20 to cancel a service contract, the full purchase price of the
21 service contract, less any claims paid, shall be refunded to
22 the service contract holder within thirty calendar days. A ten
23 percent penalty shall be added each month to the refund if the
24 refund is not paid to the service contract holder within the
25 thirty calendar days.

26 Sec. 23. Section 523C.7, Code 2025, is amended by striking
27 the section and inserting in lieu thereof the following:

28 **523C.7 Disclosure to service contract holders — contract**
29 **form — required provisions.**

30 1. A service contract shall not be issued, sold, or offered
31 for sale in this state unless the service company does all of
32 the following:

33 a. Provides a receipt for the purchase of the service
34 contract to the service contract holder.

35 b. Provides a complete sample copy of the service contract

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 to the consumer prior to purchase. A service company may
2 comply with this paragraph by providing the consumer with a
3 complete electronic sample copy of the service contract, or
4 directing the consumer to a complete sample copy of the service
5 contract at an internet site. A paper copy of the sample
6 service contract shall be provided upon the request of the
7 consumer at the expense of the service company.

8 *c.* Provides a fully executed paper or electronic copy of
9 the service contract to the service contract holder within ten
10 calendar days of the date the service contract holder purchased
11 the service contract. A paper copy of the executed service
12 contract shall be provided to the service contract holder upon
13 request of the service contract holder at the expense of the
14 service company.

15 2. A service contract issued, sold, or offered for sale
16 in the state shall comply with all of the following, as
17 applicable:

18 *a.* A service contract shall be written in clear,
19 understandable language in at least ten point type.

20 *b.* (1) A service contract insured by a reimbursement
21 insurance policy as provided in section 523C.5, subsection 1,
22 shall include a statement in substantially the following form:
23 Obligations of the service company under this service contract
24 are guaranteed under a reimbursement insurance policy. If the
25 service company fails to pay or provide service on a claim
26 within sixty days after proof of loss has been filed with
27 the service company, the service contract holder is entitled
28 to make a claim directly against the reimbursement insurance
29 policy.

30 (2) A service contract insured by a reimbursement insurance
31 policy shall conspicuously state the name and address of the
32 issuer of the reimbursement insurance policy for that service
33 contract. A claim against a reimbursement insurance policy
34 shall also include a claim for return of any refund due in
35 accordance with paragraphs "m" and "n".

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 *c.* A service contract not insured under a reimbursement
2 insurance policy shall contain a statement in substantially the
3 following form:

4 Obligations of the service company under this service contract
5 are backed by the full faith and credit of the service company
6 and are not guaranteed under a reimbursement insurance policy.

7 *d.* A service contract shall state the name and address of
8 the service company obligated to perform services under the
9 contract, and shall conspicuously identify the service company,
10 any third-party administrator, and the service contract holder
11 to the extent that the name and address of the service contract
12 holder has been furnished. The identities of such parties
13 shall not be required to be printed on the contract in advance
14 and may be added to the contract at the time of sale.

15 *e.* A service contract shall clearly state the total purchase
16 price of the service contract and the terms under which the
17 service contract is sold. The total purchase price shall not
18 be required to be printed on the contract in advance and may be
19 added to the contract at the time of sale.

20 *f.* If prior approval of repair work is required, a service
21 contract shall conspicuously describe the procedure for
22 obtaining prior approval and for making a claim, including a
23 toll-free telephone number for claim service, and the procedure
24 for obtaining emergency repairs performed outside of normal
25 business hours.

26 *g.* A service contract shall clearly state any waiting period
27 applicable to coverage under the service contract, and the date
28 on which coverage begins.

29 *h.* A service contract shall clearly state the existence of
30 any deductible amount.

31 *i.* A service contract shall specify the merchandise
32 or services, or both, to be provided and any limitations,
33 exceptions, or exclusions.

34 *j.* A service contract shall clearly state the conditions on
35 which the use of substitute parts or services will be allowed.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 Such conditions shall comply with applicable state and federal
2 laws.

3 *k.* A service contract shall clearly state any terms,
4 restrictions, or conditions governing the transferability of
5 the service contract.

6 *l.* A service contract shall clearly state the instructions
7 for cancellation of the service contract by the service
8 contract holder. Cancellation instructions shall include all
9 necessary information for a service contract holder to complete
10 a cancellation. Cancellation instructions shall include the
11 phone number, email address, or mailing address necessary for
12 the cancellation of the service contract, as well as any other
13 information that the service contract holder must use to cancel
14 the contract. A service company shall accept cancellation of a
15 service contract from a service contract holder by telephone,
16 email, or mail, or any other cost-effective and accessible
17 method of communication. The method of cancellation utilized
18 by a service company for the cancellation of a service contract
19 shall be as accessible as the method utilized by the service
20 company for the service contract holder to enter into the
21 service contract.

22 *m.* A service contract shall clearly state the terms and
23 conditions governing the cancellation of the contract prior
24 to the termination or expiration date of the contract by the
25 service company or the service contract holder. If the service
26 company cancels the contract, the service company shall mail a
27 written notice of termination to the service contract holder at
28 least fifteen calendar days before the date of the termination.
29 Prior notice of cancellation by the service company shall not
30 be required if the reason for cancellation is nonpayment of the
31 purchase price, a material misrepresentation by the service
32 contract holder to the service company or the support services
33 for the service company, or a substantial breach of duty by the
34 service contract holder relating to the covered product or use
35 of the covered product. The notice of cancellation shall state

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 the effective date of the cancellation and the reason for the
2 cancellation. If a service contract is canceled by the service
3 company for any reason other than nonpayment of the purchase
4 price, the service company shall refund the service contract
5 holder in an amount equal to one hundred percent of the
6 unearned purchase price paid, calculated on a pro rata basis
7 based upon elapsed time or mileage, less any claims paid. The
8 service company may also charge a reasonable administrative fee
9 in an amount no greater than ten percent of the total purchase
10 price. A ten percent penalty shall be added each month to the
11 refund if the refund is not paid to the service contract holder
12 within thirty calendar days.

13 *n.* (1) A service contract shall permit the original
14 service contract holder who purchased the contract to cancel
15 the service contract within at least thirty calendar days of
16 the effective date of the service contract, provided no claims
17 have been paid under the service contract, or within a longer
18 period of time as permitted under the service contract. If
19 a claim has not been paid under the service contract prior
20 to cancellation by the service contract holder, the service
21 contract is void and the full purchase price of the service
22 contract shall be refunded to the service contract holder. A
23 ten percent penalty shall be added each month to a refund if
24 the refund is not paid to the service contract holder within
25 thirty calendar days, unless the service contract holder fails
26 to provide the information required by the service contract to
27 complete the cancellation.

28 (2) If the service contract holder cancels the service
29 contract in violation of subparagraph (1), the service company
30 shall refund the service contract holder an amount equal to one
31 hundred percent of the unearned purchase price paid, calculated
32 on a pro rata basis based upon elapsed time or mileage,
33 less any claims paid. The service company may also charge a
34 reasonable administrative fee in an amount no greater than ten
35 percent of the total purchase price. A ten percent penalty

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 shall be added each month to a refund if the refund is not paid
2 to the service contract holder within thirty calendar days of
3 the service contract cancellation request, unless the service
4 contract holder fails to provide the information required in
5 the service contract to complete the cancellation.

6 *o.* A service contract shall set forth all obligations
7 and duties of the service contract holder, including but not
8 limited to the duty to protect against any further damage, and
9 the obligation to follow an owner's manual and to perform, or
10 have performed, all required service or maintenance.

11 *p.* A service contract shall clearly state if the contract
12 covers or excludes consequential damages and preexisting
13 conditions, if applicable. A service contract may, but is not
14 required to, cover damage resulting from rust, corrosion, or
15 damage caused by a part or system not covered under the service
16 contract.

17 *q.* A service contract shall clearly state the service call
18 fee, if any, charged to the service contract holder.

19 *r.* A service contract shall state the name and address of
20 the commissioner, the current toll-free telephone number of the
21 division, and a statement that a consumer may file a complaint
22 with the division, including by filing a complaint on the
23 division's internet site.

24 *s.* If a residential service contract relates to heating,
25 cooling, plumbing, or electrical service, and the claim being
26 made by the service contract holder is essential to the health
27 and safety of the service contract holder or, if applicable,
28 the service contract holder's family, the service company shall
29 ensure all of the following:

30 (1) Repair or replacement of the essential good commences
31 within forty-eight hours after the report of the claim, and is
32 completed as soon as reasonably practicable.

33 (2) If the service company determines that the service
34 company cannot complete a repair, replacement, or service
35 within three calendar days after the report of the claim,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 the service contract holder may seek an outside provider to
2 complete the repair, replacement, or service. The service
3 company shall cover reasonable costs associated with a repair,
4 replacement, or service completed by an outside service
5 provider up to the maximum dollar amount covered by the service
6 contract.

7 (3) Notice is provided to the service contract holder if a
8 repair cannot practicably be completed within three calendar
9 days after the report of the claim. The service company shall
10 provide a status report to the service contract holder by
11 communicating in a verifiable manner as soon as practicable,
12 but no later than three calendar days after the date of the
13 report of the claim. The status report must include all of the
14 following:

15 (a) A list of all required repairs, replacements, or
16 services and the estimated cost to the service contract holder.

17 (b) The primary reason the required repair, replacement, or
18 service will take longer than three calendar days, including
19 the status of all parts required for the repair, replacement,
20 or service.

21 (c) The current estimated length of time to complete the
22 repair, replacement, or service.

23 (d) The telephone number of the service company in the
24 event the service contract holder or the commissioner wants
25 to make an inquiry concerning the claim, and a commitment by
26 the service company to respond to an inquiry no later than one
27 business day after the date the inquiry is received.

28 (e) A statement that if the service contract holder is not
29 satisfied with the manner in which the service company handles
30 the claim under the terms of service contract, the service
31 contract holder may file a complaint with the division pursuant
32 to paragraph "r".

33 (f) A notice to the service contract holder that the
34 service contract holder may seek an outside service provider
35 to complete the repair, replacement, or service, and that the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 service company will cover reasonable costs associated with a
2 repair, replacement, or service completed by an outside service
3 provider up to the maximum dollar amount covered by the service
4 contract.

5 Sec. 24. NEW SECTION. **523C.8 Service contract forms —**
6 **fees.**

7 1. A service company shall file with the division an
8 accurate copy of each service contract form prior to using the
9 service contract form for the sale of a service contract in
10 this state.

11 2. At the time of filing each motor vehicle service contract
12 form with the division a service company shall pay a fee in the
13 amount of thirty-five dollars for each motor vehicle service
14 contract form.

15 3. Notwithstanding section 523C.7, a service company may
16 continue to use a service contract form that is noncompliant
17 with this chapter until June 30, 2026, provided no changes are
18 made to the service contract form and the service contract form
19 was filed with the division in 2024.

20 Sec. 25. Section 523C.9, Code 2025, is amended by striking
21 the section and inserting in lieu thereof the following:

22 **523C.9 License denial, nonrenewal, suspension, or revocation.**

23 1. The commissioner may suspend or revoke the license of,
24 deny an application for a license from, or refuse to renew the
25 license of, a service company, or may levy a civil penalty as
26 provided in section 523C.13 against a service company, for any
27 of the following reasons:

28 a. The service company violated this chapter, a lawful
29 order, regulation, or subpoena.

30 b. The service company failed to pay a final judgment
31 rendered against the service company in this state within sixty
32 calendar days after the date the judgment became final.

33 c. The service company, without just cause, refused
34 to perform, or negligently or incompetently performed, a
35 service required to be performed under the service company's

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 service contracts and the refusal, or negligent or incompetent
2 performance, has occurred with such frequency as to indicate
3 the general business practices of the service company are
4 negligent or incompetent, as determined by the commissioner.
5 *d.* The service company violated section 523C.13.
6 *e.* The service company failed to demonstrate financial
7 responsibility pursuant to section 523C.5, if applicable.
8 *f.* The service company failed to maintain a corporate
9 certificate of good standing with the secretary of state.
10 *g.* The service company provided incorrect, misleading,
11 incomplete, or materially untrue information in the service
12 company's license application.
13 *h.* The service company obtained or attempted to obtain a
14 license through misrepresentation or fraud.
15 *i.* The service company improperly withheld, misappropriated,
16 or converted any money or property received in the course of
17 business as a service company.
18 *j.* The service company intentionally misrepresented the
19 terms of an actual or proposed service contract.
20 *k.* Within the immediately preceding ten years, an owner,
21 officer, or director of the service company has been convicted
22 of a criminal offense involving any aspect of a business
23 involving securities, commodities, investments, franchises,
24 insurance, banking, or finance.
25 *l.* An owner, officer, or director of the service company
26 has been convicted of a criminal offense involving dishonesty
27 or a false statement, including but not limited to fraud,
28 theft, misappropriation of funds, falsification of documents,
29 deceptive acts or practices, or other related offenses.
30 *m.* The service company admitted to committing, or was found
31 to have committed, any unfair trade practice or fraud.
32 *n.* The service company used fraudulent, coercive,
33 or dishonest practices, or demonstrated incompetence,
34 untrustworthiness, or financial irresponsibility, in conducting
35 business in this state or any other state.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 o. The service company had a service company license or its
2 equivalent, denied, suspended, or revoked in any other state,
3 province, district, or territory.

4 p. The service company failed, or refused, to cooperate in
5 an investigation conducted by the commissioner of insurance.

6 2. If the commissioner suspends or revokes the license of,
7 denies the application for licensure of, or refuses to renew
8 the license of, a service company pursuant to this section, the
9 commissioner shall notify the service company, in writing, and
10 provide the reason for the suspension, revocation, denial, or
11 nonrenewal. The licensee or applicant may request a hearing
12 on the suspension, revocation, nonrenewal, or denial, and a
13 hearing shall be conducted according to section 507B.6.

14 Sec. 26. Section 523C.12, Code 2025, is amended to read as
15 follows:

16 **523C.12 ~~Optional examination~~ Examinations.**

17 The commissioner, or a the commissioner's designee, of
18 ~~the commissioner~~ may make an examination of the books and
19 records of a service company, including records involving
20 communications with service contract holders, copies of
21 contracts and records of claims and expenditures, and
22 ~~verify its~~ records related to the service company's assets,
23 liabilities, and reserves. The actual costs of the examination
24 shall be borne by the service company. The costs of an
25 examination under **this section** shall not exceed an amount equal
26 to ten percent of the service company's reported net income
27 associated with doing business in the state in the previous
28 immediately preceding fiscal year.

29 Sec. 27. Section 523C.13, Code 2025, is amended by striking
30 the section and inserting in lieu thereof the following:

31 **523C.13 Prohibited acts or practices — penalty — violations**
32 **— contracts voided.**

33 1. A service company, or the service company's support
34 services, that offers service contracts for sale in this state,
35 shall not, directly or indirectly, represent in any manner,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 whether by written solicitation or telemarketing, a false,
2 deceptive, or misleading statement with respect to any of the
3 following:

4 *a.* The service company's affiliation with a motor vehicle
5 manufacturer or importer.

6 *b.* The validity or expiration of a warranty.

7 *c.* A motor vehicle service contract holder's coverage
8 under a motor vehicle service contract, including statements
9 suggesting that the service contract holder must purchase a
10 new service contract in order to maintain coverage under the
11 existing service contract or warranty.

12 *d.* Descriptions of the service contract as a "policy".

13 2. A licensed service company which offers service
14 contracts for sale in this state shall not, directly or
15 indirectly, do any of the following:

16 *a.* Fail to complete, or fail to ensure the completion of, a
17 repair, maintenance, replacement, service, or indemnification
18 of expenses associated with a covered claim within a reasonable
19 period of time.

20 *b.* Create or use any advertising that does not include the
21 name of the licensed service company.

22 *c.* Use any method of marketing that may induce the purchase
23 of a service contract through force, fear, or threats, whether
24 explicit or implied.

25 *d.* Create or use any service contract marketing materials
26 that contain incorrect or misleading information.

27 *e.* Use, offer for sale, or issue in this state a service
28 contract form that has not been submitted as part of a license
29 application pursuant to section 523C.3, as part of a license
30 application renewal pursuant to section 523C.4, or submitted
31 to the division during the service company's current license
32 period.

33 3. The commissioner may adopt rules pursuant to
34 chapter 17A that regulate service contracts to prohibit
35 misrepresentation, false advertising, defamation, boycotts,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 coercion, intimidation, false statements and entries, and
2 unfair discrimination or practices. If the commissioner finds
3 that a person has violated rules adopted under this section,
4 the commissioner may order any or all of the following:

5 *a.* Payment of a civil penalty of not more than one thousand
6 dollars for each act or violation, not to exceed an aggregate
7 of ten thousand dollars, unless the person knew or reasonably
8 should have known the person was in violation of this section,
9 in which case the civil penalty shall be not more than five
10 thousand dollars for each act or violation, not to exceed an
11 aggregate of fifty thousand dollars in any one consecutive
12 six-month period. If the commissioner finds a violation of
13 this section was directed, encouraged, condoned, ignored,
14 or ratified by the employer of the person the commissioner
15 may assess the penalty to the employer and not the person.
16 Any civil penalties collected under this subsection shall be
17 deposited as provided in section 505.7.

18 *b.* Suspension or revocation of the person's license, if the
19 person knew or reasonably should have known the person was in
20 violation of this section.

21 4. A violation of this chapter shall constitute an unlawful
22 practice pursuant to section 714.16.

23 5. A person shall not engage, directly or indirectly, in any
24 unfair method of competition, or an unfair or deceptive act or
25 practice, in the business of service contracts. Any violation
26 of this chapter constitutes an unfair method of competition,
27 or an unfair or deceptive act or practice. If, after hearing,
28 the commissioner determines that a person has engaged in an
29 unfair method of competition or an unfair or deceptive act or
30 practice, the provisions of sections 507B.6 through 507B.8
31 shall apply.

32 Sec. 28. Section 523C.22, Code 2025, is amended to read as
33 follows:

34 **523C.22 Claim procedures.**

35 A licensed service company shall promptly provide a written

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 explanation to the service contract holder, describing the
2 reasons for denying a claim or for the offer of a compromise
3 settlement, based on all relevant facts or legal requirements
4 and referring to applicable provisions of the service contract.
5 The written explanation shall provide instructions to the
6 service contract holder on the process for an appeal, second
7 review, arbitration, or similar provisions included in the
8 contract, as well as information on how to file a complaint
9 with the division, including the internet site on which to
10 locate the division's complaint form.

11 Sec. 29. Section 523C.23, subsection 1, paragraph c, Code
12 2025, is amended by striking the paragraph.

13 Sec. 30. Section 523C.23, subsection 2, Code 2025, is
14 amended to read as follows:

15 2. ~~Except as provided in section 523C.19, a~~ A proceeding
16 instituted under this chapter shall be conducted pursuant to
17 chapter 17A and rules adopted by the commissioner pursuant to
18 chapter 17A.

19 Sec. 31. NEW SECTION. 523C.25 Confidentiality.

20 1. Notwithstanding chapter 22, the commissioner shall
21 maintain the confidentiality of information submitted to
22 the division or obtained by the division in the course of
23 an investigation, examination, or inquiry pursuant to this
24 chapter, including all notes, work papers, or other documents.
25 Information obtained by the commissioner in the course of
26 investigating a complaint or inquiry may, at the discretion
27 of the commissioner, be provided to the service company that
28 is the subject of the complaint or inquiry and the consumer
29 who filed the complaint or inquiry, without waiving the
30 confidentiality afforded to the commissioner or to any other
31 person by this section. The commissioner may disclose or
32 release information that is otherwise confidential under this
33 subsection in the course of an administrative or judicial
34 proceeding.

35 2. Notwithstanding subsection 1, if the commissioner

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 determines that it is necessary in the public interest, the
2 commissioner may share information with other regulatory
3 authorities or government agencies, or may publish service
4 company-related data or information collected under this
5 chapter. Such information may be redacted so that neither
6 personally identifiable information nor service company
7 identifiable information is made available.

8 Sec. 32. Section 714.16, subsection 2, Code 2025, is amended
9 by adding the following new paragraph:

10 NEW PARAGRAPH. *r.* It is an unlawful practice for a person
11 to violate chapter 523C.

12 Sec. 33. REPEAL. Section 523C.19, Code 2025, is repealed.

13 DIVISION VIII

14 PUBLIC UTILITY REGULATION — CROSS-SUBSIDIZATION

15 Sec. 34. Section 476.78, Code 2025, is amended to read as
16 follows:

17 **476.78 Cross-subsidization prohibited.**

18 A public utility shall not directly or indirectly include
19 any costs or expenses attributable to providing nonutility
20 service in regulated rates or charges. ~~Except for contracts~~
21 ~~existing as of July 1, 1996, a public utility or its affiliates~~
22 ~~shall not use vehicles, service tools and instruments, or~~
23 ~~employees, the costs, salaries, or benefits of which are~~
24 ~~recoverable in the regulated rates for electric service~~
25 ~~or gas service to install, service, or repair residential~~
26 ~~or commercial gas or electric heating, ventilating, or~~
27 ~~air conditioning systems, or interior lighting systems and~~
28 ~~fixtures; or to sell at retail heating, ventilating, air~~
29 ~~conditioning, or interior lighting equipment. For the purpose~~
30 ~~of this section, "commercial" means a place of business~~
31 ~~primarily used for the storage or sale, at wholesale or retail,~~
32 ~~of goods, wares, services, or merchandise. Nothing in this~~
33 section shall be construed to prohibit a public utility from
34 using its utility vehicles, service tools and instruments,
35 and employees to market systems, services, and equipment, to

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 light pilots, or to eliminate a customer emergency or threat
2 to public safety.

3

EXPLANATION

4 The inclusion of this explanation does not constitute agreement with
5 the explanation's substance by the members of the general assembly.

6 This bill relates to matters under the purview of the
7 department of insurance and financial services including
8 financial literacy and exploitation, tax confidentiality,
9 health insurance rates, health savings accounts, insurer
10 withdrawals, property insurance, and service contracts.

11 DIVISION I — FINANCIAL LITERACY AND FINANCIAL EXPLOITATION.

12 Division I appropriates \$10 of each fee collected from the
13 filing of an application as an agent of a real estate broker or
14 dealer to the financial literacy and investor education fund
15 (education fund), and to the financial exploitation prevention
16 fund (prevention fund), both of which are created in the bill.
17 Initiatives by the commissioner of insurance (commissioner)
18 involving financial literacy and investor education shall
19 comply with the requirements of the bill.

20 Under the bill, nonexamination revenues payable to the
21 insurance division (division) or the department of revenue
22 (DOR) in connection with the regulation of insurance companies
23 shall be deposited in the commerce revolving fund, rather than
24 40 percent as is required under current law. The director of
25 the department of insurance and financial services (director)
26 shall be responsible for identifying and coordinating
27 appropriate opportunities for collaboration on financial
28 literacy and exploitation with the chief administrative
29 officers (CAO) of each division and each CAO's respective
30 regulated entities.

31 The bill creates the education fund under the control of the
32 director. The director shall develop and implement financial
33 literacy and investor education initiatives for the public
34 by providing education on financial topics, including topics
35 required to be offered and taught for grades 9 through 12. The

LSB 1437HZ (2) 91

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Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 education fund consists of moneys as detailed in the bill.
2 Notwithstanding any provision of law to the contrary, moneys in
3 the education fund may be moved to the prevention fund at the
4 discretion of the director.

5 The bill creates the prevention fund, under which the
6 director shall develop and implement initiatives to educate
7 the public on financial exploitation; assist individuals
8 who are known, suspected, or potential victims of financial
9 exploitation; and to conduct investigations, refer
10 investigations to other law enforcement, and assist in the
11 prosecution of persons involved in financial exploitation. The
12 prevention fund consists of moneys as detailed in the bill.

13 All investigation files, investigation reports, and all
14 other investigative information in the possession of the
15 department of insurance and financial services (department)
16 shall be confidential and shall not be subject to release by
17 discovery, subpoena, or other means of legal compulsion until
18 opened for public inspection by the department, or upon the
19 consent of the department, or until a court determines the
20 department will not be unnecessarily hindered if opened for
21 public inspection. Investigative information in the possession
22 of the department may be disclosed, shared, or received in
23 the circumstances detailed in the bill. An investigator or
24 staff member of the department shall not be subject to subpoena
25 concerning any pending or continuing investigation conducted
26 by the department.

27 On the effective date of division I of the bill, all
28 unencumbered and unobligated moneys remaining in the securities
29 investor education and financial literacy training fund in Code
30 section 502.601 shall be transferred to the education fund.

31 DIVISION II — TAX ON GROSS PREMIUMS — CONFIDENTIALITY.
32 Under division II, a tax return filed under Code section
33 432.1 (tax on gross premiums — exclusions) or 432.1A (tax on
34 premiums — captive companies) shall not be open to inspection.
35 It shall be unlawful for any present or former officer or

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 employee of the state to willfully or recklessly publish any
2 such tax return. A person who does so is guilty of a serious
3 misdemeanor and, in addition to any other penalty, shall be
4 dismissed from office or discharged from employment. A serious
5 misdemeanor is punishable by confinement for no more than one
6 year and a fine of at least \$430 but no more than \$2,560. The
7 bill does not prohibit the DOR from turning over information
8 and tax returns in the DOR's possession to duly authorized
9 officers of the United States or tax officials of other states
10 pursuant to an agreement.

11 DIVISION III — HEALTH INSURANCE RATE INCREASES — PUBLIC
12 HEARINGS. Division III permits the commissioner to hold a
13 public hearing at the time a carrier files for proposed health
14 insurance rate increases exceeding the average annual health
15 spending growth rate, rather than requiring the commissioner to
16 hold such public hearing as is the case under current law.

17 DIVISION IV — HEALTH SAVINGS ACCOUNTS AND QUALIFIED
18 HIGH-DEDUCTIBLE HEALTH PLANS — COST-SHARING. Under division
19 IV, if a copayment, coinsurance, or deductible paid as
20 cost-sharing by an enrollee in an individual or group accident
21 or health insurance plan would result in the enrollee becoming
22 ineligible for a health savings account associated with the
23 enrollee's qualified high-deductible health plan (HDHP), the
24 cost-sharing shall apply only to the enrollee's qualified HDHP
25 after the enrollee satisfies the enrollee's minimum deductible,
26 except for items or services determined to be preventive.

27 DIVISION V — INSURANCE COMPANY WITHDRAWAL REQUIREMENTS.
28 Division V requires an insurer, prior to withdrawing, to
29 file a withdrawal plan (plan) with the commissioner if the
30 insurer intends to reduce the insurer's total annual premium
31 volume in the state by 50 percent or more, intends to reduce
32 the insurer's total annual premium in the state in a line of
33 insurance by 75 percent or more, or intends to reduce the
34 insurer's total annual premium volume in the state in a line of
35 private passenger automobile insurance, homeowners insurance,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 or dwelling property insurance by 50 percent or more.
2 Withdrawal requirements do not apply to a transfer of business
3 from one insurer to another insurer that are both within the
4 same insurance holding company system if the insurer to whom
5 the business is being transferred is authorized to engage in
6 the business of insurance in the state, and the business is
7 not a reciprocal or interinsurance exchange, a lloyd's plan,
8 or a state or county mutual insurance association. "Insurer"
9 is defined in the bill.

10 If the plan meets all of the requirements as described in
11 the bill, the commissioner shall approve the plan. If the
12 commissioner finds that a plan does not meet all requirements,
13 the commissioner may modify, restrict, limit, or deny the
14 withdrawal plan. An insurer may request a hearing on the
15 commissioner's decision as described in the bill.

16 An insurer that withdraws from writing all lines of
17 insurance in the state shall not, without prior approval
18 of the commissioner, resume writing insurance in the state
19 for a minimum of five years. A violation of the withdrawal
20 requirements constitutes an unfair method of competition and
21 unfair or deceptive act or practice. The commissioner may
22 adopt rules to administer and enforce division V.

23 DIVISION VI — REPLACEMENT COST, ACTUAL CASH VALUE, AND
24 LINE OF SIGHT. Division VI requires for an insurance policy
25 providing for the adjustment and settlement of first-party
26 losses based on replacement cost when a loss requires repair or
27 replacement of a product or part, consequential physical damage
28 shall be included in the calculation of loss, and the insured
29 shall not be required to pay for betterment or other costs,
30 except for any deductible. When a loss requires replacement of
31 a damaged product and the product is available for purchase,
32 the identical product shall be used, or if it is not available,
33 the insurer shall use a reasonably similar product.

34 For a policy providing for adjustment and settlement of
35 first-party losses based on actual cash value (ACV), for

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 residential fire and extended coverage, the insurer shall
2 determine the ACV and shall provide a copy of the claim file
3 worksheet.

4 For an insurance policy providing for the adjustment and
5 settlement of first-party losses based on ACV, where the
6 insured's interest is limited because damaged property has
7 nominal or no economic value, or a value disproportionate to
8 replacement cost less depreciation, a determination of ACV
9 shall not be required.

10 DIVISION VII — SERVICE COMPANIES, SERVICE CONTRACTS,
11 AND LICENSES. Division VII prohibits a person who shall be
12 contractually obligated to a service contract holder under the
13 terms of a service contract from issuing, offering for sale, or
14 selling a motor vehicle service contract or residential service
15 contract in the state unless the person is a licensed service
16 company. The requirements of the bill do not apply to any
17 person who provides support services.

18 A service company shall maintain a license for the entirety
19 of any service contract that the service company has entered.
20 A service company shall report to the commissioner within 30
21 calendar days any material change to the information submitted
22 in the initial or renewal application.

23 An application for a license as a service company shall
24 be filed with the commissioner and include all required
25 information as described in the bill, and be accompanied
26 by a \$500 license fee and a \$35 fee for each motor vehicle
27 service contract form provided by the service company in the
28 application. A license shall be valid for one year and shall
29 be renewed on or before the date the license expires.

30 An application for license renewal shall include the
31 information required for an initial license, a list of
32 each service contract form, and the information and fees as
33 described in the bill. If the renewal application meets the
34 requirements, and the commissioner has not refused to renew
35 the license, the commissioner shall renew the license. If the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 commissioner denies renewal, the denial shall be in writing.

2 If a service company fails to renew their license on or
3 before the final day of the license period, the company's
4 license shall be deemed expired. Prior to a license expiration
5 date, and if a renewal application was submitted at least 14
6 days prior to the license expiration date, the commissioner may
7 extend the renewal period an additional 30 calendar days. If a
8 service company submits an application or renewal application
9 after the license has expired, the service company shall pay a
10 \$800 reinstatement fee and shall file a service company license
11 renewal application, including payment of applicable fees, with
12 the division. Restrictions on a service company whose license
13 term has expired are detailed in the bill.

14 A service contract shall not be issued, sold, or offered
15 for sale unless the service company provides a receipt for
16 the purchase of the service contract to the service contract
17 holder (holder), provides a complete sample copy of the service
18 contract prior to purchase, and provides a completed paper or
19 electronic copy of the service contract to the holder within
20 10 calendar days of purchase. A paper copy of the sample copy
21 of the service contract, or the service contract, shall be
22 provided upon the request of the consumer at the expense of the
23 service company.

24 A service contract issued, sold, or offered for sale in
25 the state shall comply with all of the requirements described
26 in the bill. The requirements for a reimbursement insurance
27 policy that relates to goods that are essential to the health
28 and safety of the service contract holder are detailed in the
29 bill.

30 A service company shall file with the division an accurate
31 copy of each service contract form prior to using the service
32 contract form and, at the time of filing shall pay a \$35 fee for
33 each motor vehicle service contract form. A service company
34 may continue to use a noncompliant service contract form until
35 June 30, 2026, provided no changes are made to the form, and

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 the service contract form was filed with the division in 2024.
2 The commissioner may suspend or revoke the license of, deny
3 an application for license from, or refuse to renew the license
4 of, a service company, or may levy a civil penalty against a
5 service company, for any of the reasons described in the bill.
6 The commissioner shall notify the service company in writing
7 of the reason for the suspension, revocation, nonrenewal, or
8 denial. The licensee or applicant may request a hearing.
9 The commissioner may make examination of the books and
10 records of a service company. The actual costs of the
11 examination shall be borne by the service company, not to
12 exceed 10 percent of the service company's reported net income
13 associated with doing business in the state in the immediately
14 preceding fiscal year.
15 A service company that offers service contracts for sale,
16 or the service company's support services, shall not represent
17 in any manner a false, deceptive, or misleading statement with
18 respect to the service company's affiliation with a motor
19 vehicle manufacturer or importer, the validity or expiration of
20 a warranty, a motor vehicle service contract holder's coverage
21 under a motor vehicle service contract, or describing the
22 service contract as a policy.
23 A service company shall not engage in a prohibited act or
24 practice as detailed in the bill. The commissioner may adopt
25 rules pursuant to Code chapter 17A which regulate service
26 contracts to prohibit specified practices. If the commissioner
27 finds that a person has violated such rules, the commissioner
28 may order payment of a civil penalty as described in the bill,
29 or suspend or revoke a service company's license. A person
30 shall not engage in any unfair method of competition, or an
31 unfair or deceptive act or practice, in the service contract
32 business.
33 A written explanation to a service contract holder after a
34 licensed service company denies a claim or offers a compromise
35 settlement shall provide instructions to the service contract

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 986

1 holder on appeals, second reviews, arbitration, or similar
2 provisions included in the contract, as well as information
3 on how to file a complaint with the division, including the
4 internet site to the division's complaint form.

5 The commissioner shall maintain the confidentiality of
6 information submitted to the division or obtained by the
7 division in the course of an investigation, examination, or
8 inquiry, including all notes, work papers, or other documents
9 and the information as described in the bill. The commissioner
10 may disclose or release information that is otherwise
11 confidential in the circumstances detailed in the bill.
12 Such information may be redacted so that neither personally
13 identifiable information nor service company identifiable
14 information is made available.

15 The division repeals Code section 523C.19.

16 DIVISION VIII — PUBLIC UTILITY REGULATION —
17 CROSS-SUBSIDIZATION. Division VIII of the bill eliminates
18 the prohibition under current law that, except for contracts
19 existing as of July 1, 1996, a public utility or its affiliates
20 shall not use vehicles, service tools and instruments, or
21 employees to install, service, or repair residential or
22 commercial gas or electric heating, ventilating, or air
23 conditioning systems, or interior lighting systems and
24 fixtures; or to sell at retail heating, ventilating, air
25 conditioning, or interior lighting equipment.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 987 - Introduced

HOUSE FILE 987
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 322)

A BILL FOR

1 An Act providing for the processing of organic material into
2 renewable fuel and digestate, providing fees, and providing
3 penalties.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

DIVISION I

COMMUNITY ANAEROBIC DIGESTER SYSTEMS

Section 1. NEW SECTION. 458.101 Short title.

This chapter shall be known and may be cited as the
“Community Anaerobic Digester System Act”.

Sec. 2. NEW SECTION. 458.102 Definitions.

For purposes of this chapter, unless the context otherwise
requires:

1. a. *“Agricultural animal”* means an animal belonging to
the bovine, caprine, equine, ovine, or porcine species; farm
deer as defined in section 170.1; ostriches, rheas, or emus;
turkeys, chickens, domestic geese or ducks, or other domestic
fowl; or fish or other aquatic organisms confined in private
waters for human consumption.

b. *“Agricultural animal”* includes an animal that is part of
an animal feeding operation.

2. a. (1) *“Anaerobic digester system”* means a digester
processing structure used to effectuate the digestion process.

(2) *“Anaerobic digester system”* may also include any of the
following:

(a) A liquid digester storage structure.

(b) A dry digester manure stockpile.

(c) A dry digester feedstock stockpile.

(d) A liquid digestate storage structure.

(e) A dry digestate stockpile.

b. *“Anaerobic digester system”* includes other related
structures, pipes, and equipment used in the digestion process.

3. *“Animal feeding operation”* means the same as defined in
section 459.102.

4. *“Animal feeding operation structure”* means the same as
defined in section 459.102.

5. *“Commercial enterprise”* means the same as defined in
section 459.102.

6. *“Community anaerobic digester system”* means an anaerobic
digester system that is not identified with an animal feeding

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 operation as provided in section 458.104.

2 7. *"Confinement feeding operation structure"* means the same
3 as defined in section 459.102.

4 8. *"Covered"* means organic or inorganic material has been
5 placed upon a digester structure used to store any of the
6 following:

7 a. Digester manure.

8 b. Digester feedstock.

9 c. Digestate.

10 9. *"Critical public area"* means the same as defined in
11 section 459.102.

12 10. *"Department"* means the department of natural resources
13 created pursuant to section 455A.2.

14 11. *"Designated area"* means the same as defined in section
15 459.102.

16 12. *"Designated object or location"* means any of the
17 following:

18 a. A commercial enterprise.

19 b. A bona fide religious institution.

20 c. An educational institution.

21 d. A public use area.

22 13. *"Designated wetland"* means the same as defined in
23 section 459.102.

24 14. *"Digestate"* means the dry or liquid nutrient-rich
25 material that remains after the digestion process is
26 effectuated.

27 15. a. *"Digester feedstock"* means organic material, other
28 than digester manure, originating on-farm or off-farm that
29 is used to effectuate the digestion process as part of an
30 anaerobic digester system.

31 b. *"Digester feedstock"* includes either of the following:

32 (1) Dry digester feedstock.

33 (2) Liquid digester feedstock.

34 16. a. *"Digester manure"* means manure originating on-farm
35 that is used to effectuate the digestion process as part of an

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

- 1 anaerobic digester system.
- 2 *b.* “*Digester manure*” includes either of the following:
- 3 (1) Dry digester manure.
- 4 (2) Liquid digester manure.
- 5 17. “*Digester processing structure*” means a structure that
- 6 effectuates the digestion process.
- 7 18. “*Digester stockpile*” means any of the following:
- 8 *a.* A dry digester manure stockpile.
- 9 *b.* A dry digester feedstock stockpile.
- 10 *c.* A dry digestate stockpile.
- 11 19. “*Digester structure*” means any of the following:
- 12 *a.* A liquid digester storage structure.
- 13 *b.* A digester processing structure.
- 14 *c.* A liquid digestate storage structure.
- 15 20. “*Digestion process*” means primarily processing digester
- 16 manure, and may include processing digester feedstock, by
- 17 employing environmental conditions including bacteria to break
- 18 down organic matter in the absence of oxygen, if used for
- 19 producing, collecting, and utilizing a biogas and digestate.
- 20 21. “*Dry bedded confinement feeding operation*” means the same
- 21 as defined in section 459B.102.
- 22 22. “*Dry digestate*” means digestate that meets the dry
- 23 classification requirements in section 458.107.
- 24 23. “*Dry digestate stockpile*” means dry digestate
- 25 originating from a community anaerobic digester system and
- 26 stored as part of the community anaerobic digester system
- 27 outside a digester structure or on-farm outside any other
- 28 structure.
- 29 24. “*Dry digester feedstock*” means a digester feedstock that
- 30 meets the dry classification requirements in section 458.107.
- 31 25. “*Dry digester feedstock stockpile*” means dry digester
- 32 feedstock stored outside a digester structure.
- 33 26. “*Dry digester manure*” means digester manure that meets
- 34 the dry classification requirement in section 458.107.
- 35 27. “*Dry digester manure stockpile*” means dry digester

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 manure stored as part of a community anaerobic digester system
2 outside a digester structure.

3 28. *"Dry digester stockpile"* means either of the following:

4 a. A dry digester feedstock stockpile.

5 b. A dry digester manure stockpile.

6 29. *"Educational institution"* means the same as defined in
7 section 459.102.

8 30. *"Effluent"* means the same as defined in section
9 459A.102.

10 31. *"Federal Water Pollution Control Act"* means the federal
11 Water Pollution Control Act of 1972, 33 U.S.C. ch. 26, as
12 amended, and 40 C.F.R. pts. 122 and 412.

13 32. *"Frozen ground"* means the same as defined in section
14 459.102.

15 33. *"High-quality water resource"* means the same as defined
16 in section 459.102.

17 34. *"Karst terrain"* means the same as defined in section
18 459.102.

19 35. *"Liquid digestate"* means digestate other than dry
20 digestate.

21 36. *"Liquid digestate storage structure"* means a structure
22 used to store liquid digestate.

23 37. *"Liquid digester feedstock"* means digester feedstock
24 other than dry digester feedstock.

25 38. *"Liquid digester feedstock storage structure"* means
26 a structure used to store liquid digester feedstock or dry
27 digester feedstock before undergoing a digestion process as
28 effectuated by a digester processing structure.

29 39. *"Liquid digester manure"* means digester manure other
30 than dry digester manure.

31 40. *"Liquid digester manure storage structure"* means a manure
32 storage structure used to store liquid digester manure or
33 dry digester manure before undergoing a digestion process as
34 effectuated by a digester processing structure.

35 41. *"Liquid digester storage structure"* means a structure

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 used to store digester manure or digester feedstock, or both,
2 before undergoing a digestion process as effectuated by a
3 digester processing structure.

4 42. "*Major water source*" means the same as defined in
5 section 459.102.

6 43. "*Manure*" means the same as defined in section 459.102.

7 44. "*Manure management plan*" means a manure management plan,
8 including an updated manure management plan, as provided in
9 section 459.312.

10 45. "*Manure storage structure*" means the same as defined in
11 section 459.102.

12 46. "*Nutrient management plan*" means a nutrient management
13 plan or an updated nutrient management plan as provided in
14 section 459A.208.

15 47. "*Off-farm*" means real property that is not on-farm.

16 48. "*On-farm*" means real property used to produce raw
17 agricultural commodities, including agricultural animals; crops
18 such as corn, grain sorghum, oats, soybeans, or wheat; hay or
19 straw; milk; or wool.

20 49. "*Open feedlot operation*" means the same as defined in
21 section 459A.102.

22 50. "*Professional engineer*" means the same as defined in
23 section 459.102.

24 51. "*Religious institution*" means the same as defined in
25 section 459.102.

26 52. "*Research college*" means the same as defined in section
27 459A.102.

28 53. "*Snow covered ground*" means the same as defined in
29 section 459.102.

30 54. "*Water of the state*" means the same as defined in
31 section 455B.171.

32 55. "*Water source*" means the same as defined in section
33 459.102.

34 Sec. 3. NEW SECTION. 458.103 Special terms — community
35 anaerobic digester systems and on-farm operations.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 1. a. A community anaerobic digester system must be
2 off-farm.

3 b. An animal feeding operation must be on-farm.

4 2. This chapter does not apply to any of the following:

5 a. A confinement feeding operation structure regulated under
6 chapter 459 regardless of whether manure originating from the
7 confinement feeding operation structure is stored or processed
8 as part of a community anaerobic digester system.

9 b. An open feedlot operation structure regulated under
10 chapter 459A regardless of whether effluent originating from
11 the open feedlot operation structure is stored or processed as
12 part of a community anaerobic digester system.

13 c. A dry bedded confinement feeding operation structure
14 regulated under chapter 459B regardless of whether manure
15 originating from the dry bedded confinement feeding operation
16 structure is stored or processed as part of a community
17 anaerobic digester system.

18 Sec. 4. NEW SECTION. 458.104 **Special terms — community**
19 **anaerobic digester systems not identified with animal feeding**
20 **operation.**

21 1. a. An anaerobic digester system receiving digester
22 manure from an animal feeding operation is a community
23 anaerobic digester system only if the anaerobic digester system
24 is not identified with that animal feeding operation or any
25 other animal feeding operation, including a confinement feeding
26 operation, open feedlot operation, or dry bedded confinement
27 feeding operation.

28 b. An anaerobic digester system is identified with an animal
29 feeding operation by being both of the following:

30 (1) Under common ownership or management.

31 (2) Adjacent.

32 2. An anaerobic digester system and an animal feeding
33 operation structure are deemed adjacent if the closest
34 digester structure is separated from the closest animal feeding
35 operation structure by less than one thousand two hundred fifty

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 feet.

2 3. *a.* An anaerobic digester system and an animal feeding
3 operation are under common ownership if a person holds an
4 interest in the anaerobic digester system and the animal
5 feeding operation as any of the following:

6 (1) A sole proprietor.

7 (2) A joint tenant or tenant in common.

8 (3) A holder of a majority equity interest in a business
9 association as defined in section 202B.102, including but not
10 limited to a shareholder, partner, member, or beneficiary.

11 *b.* An interest in the anaerobic digester system and animal
12 feeding operation which is held directly or indirectly by the
13 person's spouse or dependent child shall be attributed to the
14 person.

15 4. *a.* An anaerobic digester system and animal feeding
16 operation are under common management if a person has
17 significant control of the management of the day-to-day
18 operations of the anaerobic digester system and animal feeding
19 operation.

20 *b.* Common management does not include control over a
21 contract livestock facility by a contractor, as those terms are
22 defined in section 202.1.

23 **Sec. 5. NEW SECTION. 458.105 Special terms — multiple**
24 **anaerobic digester systems.**

25 1. A community anaerobic digester system and another
26 anaerobic digester system are deemed to be a single community
27 anaerobic digester system if the community anaerobic digester
28 system and the other anaerobic digester system are both of the
29 following:

30 *a.* Under common ownership or management.

31 *b.* Adjacent.

32 2. A community anaerobic digester system and another
33 anaerobic digester system are deemed adjacent if the closest
34 digester structure of the community anaerobic digester system
35 is separated from the closest digester structure of the other

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 anaerobic digester system by less than one thousand two hundred
2 fifty feet.

3 3. a. A community anaerobic digester system and another
4 anaerobic digester system are under common ownership if a
5 person holds an interest in the community anaerobic digester
6 system and the other anaerobic digester system as any of the
7 following:

8 (1) A sole proprietor.

9 (2) A joint tenant or tenant in common.

10 (3) A holder of a majority equity interest in a business
11 association as defined in section 202B.102, including but not
12 limited to a shareholder, partner, member, or beneficiary.

13 b. An interest in the community anaerobic digester system
14 and other anaerobic digester system which is held directly or
15 indirectly by the person's spouse or dependent child shall be
16 attributed to the person.

17 4. A community anaerobic digester system and other
18 anaerobic digester system are under common management if
19 a person has significant control of the management of the
20 day-to-day operations of the community anaerobic digester
21 system and the other anaerobic digester system.

22 Sec. 6. NEW SECTION. 458.106 Special terms — digester
23 structures.

24 1. Except as otherwise provide in this chapter, a digester
25 structure that is constructed or may be constructed as part of
26 a community anaerobic digester system is regulated under this
27 chapter.

28 2. A digester structure must be covered.

29 3. A digester structure is constructed when any of the
30 following occur:

31 a. Excavation is conducted for a proposed digester structure
32 or proposed expansion of an existing digester structure,
33 including excavation for the footings of the digester
34 structure.

35 b. Forms for concrete are installed for a proposed digester

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 structure or the proposed expansion of an existing digester
2 structure.

3 *c.* Piping for the movement of manure is installed for a
4 proposed digester structure or the proposed expansion of an
5 existing digester structure.

6 Sec. 7. NEW SECTION. 458.107 **Special terms — manure and**
7 **digestates.**

8 1. Except as otherwise provided in this chapter, the term
9 “manure” includes effluent if used as part of the digestion
10 process using digester manure as part of a community anaerobic
11 digester system.

12 2. Digester manure, digester feedstock, or digestate is
13 classified as dry only if all of the following apply:

14 *a.* The digester manure, digester feedstock, or digestate
15 does not flow perceptibly under pressure.

16 *b.* The digester manure, digester feedstock, or digestate is
17 not capable of being transported through a mechanical pumping
18 device designed to move a liquid.

19 *c.* The constituent molecules of the digester manure,
20 digester feedstock, or digestate do not flow freely among
21 themselves but may show a tendency to separate under stress.

22 3. A digester processing structure must process digester
23 manure as its primary source. The digester processing
24 structure may also process any of the following:

25 *a.* A quantity of digester feedstock as its secondary source.

26 *b.* An ancillary quantity of an inorganic material, including
27 a catalyst, used to best effectuate the digestion process.

28 The department shall adopt rules listing allowable materials
29 by name and, if necessary, the maximum allowed quantity.

30 The department may also approve the allowable materials and
31 quantity upon request of the owner or manager of the anaerobic
32 digester system. The inorganic material allowed over time must
33 be nonhazardous to the public and environment.

34 4. *a.* Except as provided in paragraph “b”, digester manure
35 shall not be regulated as manure.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 *b.* If digester manure and digester feedstock are combined,
2 the digester feedstock shall be regulated as digester manure.

3 5. *a.* Except as provided in paragraph “*b*”, a digestate
4 shall not be regulated as manure.

5 *b.* (1) If digestate is removed from a digester processing
6 structure and at any time is combined with manure, the
7 digestate shall be regulated as manure under chapter 459 and
8 chapter 459B, as applicable.

9 (2) If a digestate is removed from a digester processing
10 structure and at any time is combined with effluent, the
11 digestate shall be regulated as effluent under chapter 459A.

12 Sec. 8. NEW SECTION. **458.108 Separation distance**
13 **measurements.**

14 1. Except as provided in subsection 2, all separation
15 distances between two items described in this chapter shall
16 be measured in feet from their closest points, as provided by
17 rules adopted by the department.

18 2. The distance between a public thoroughfare and a
19 community anaerobic digester system shall be measured from
20 that portion of the public thoroughfare’s right-of-way that is
21 closest to the community anaerobic digester system.

22 Sec. 9. NEW SECTION. **458.109 Stockpiling dry digester**
23 **manure, dry digester feedstock, or dry digestate.**

24 A person may stockpile dry digester manure, dry digester
25 feedstock, or dry digestate, so long as the person stockpiles
26 the dry digester manure, dry digester feedstock, or dry
27 digestate in compliance with restrictions applicable to
28 stockpiling as provided in subchapter III.

29 Sec. 10. NEW SECTION. **458.111 Purpose.**

30 The purpose of this chapter is to promote the
31 community-based production of the following:

32 1. Biogas as a renewable organic source of energy with low
33 carbon emissions.

34 2. A digestate as a rich source of renewable nutrients for
35 application on land for on-farm use to produce this state’s

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 crops.

2 Sec. 11. NEW SECTION. **458.112 Scope.**

3 This chapter is limited to regulating the following:

4 1. The off-farm storage or processing of digester manure or
5 digester feedstock as part of a community anaerobic digester
6 system. Digester manure or digester feedstock shall not be
7 transferred from a community anaerobic digester system except
8 under the terms of a waiver granted by the department.

9 2. The storage or use of a digestate originating from a
10 community anaerobic digester system.

11 Sec. 12. NEW SECTION. **458.113 General authority.**

12 1. The department shall adopt rules as necessary to
13 administer and enforce the provisions of this chapter.

14 2. Any provision referring generally to compliance with the
15 requirements of this chapter as applied to community anaerobic
16 digester systems includes compliance with requirements of rules
17 adopted by the department pursuant to this chapter, orders
18 issued by the department as authorized under this chapter,
19 and the terms and conditions applicable to permits or plans
20 required in this chapter.

21 3. If there is a conflict between a provision of this
22 chapter and a provision regulating a community anaerobic
23 digester system in another chapter, the provisions of this
24 chapter shall prevail.

25 4. Rules adopted to implement this subchapter are not
26 subject to section 17A.7, subsection 2 or 3.

27 Sec. 13. NEW SECTION. **458.114 Administration — forms and
28 other documents.**

29 1. The department shall adopt and promulgate forms required
30 to be completed in order to comply with the provisions of this
31 chapter.

32 2. The department shall provide for procedures for the
33 access, receipt, filing, processing, and return of documents
34 described in this chapter in an electronic format, including
35 but not limited to the transmission of documents over the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 internet. The department shall provide for authentication
2 of the documents that may include electronic signatures as
3 provided in chapter 554D.

4 3. The department shall, to every extent feasible,
5 provide for the processing of documents required under the
6 provisions of this chapter using electronic systems, including
7 programming, necessary to ensure the completeness and accuracy
8 of the documents in accordance with the requirements of this
9 chapter.

10 Sec. 14. NEW SECTION. **458.201 Digester manure and digester**
11 **feedstock — required storage.**

12 A person receiving digester manure or digester feedstock at
13 a community anaerobic digester system must store the digester
14 manure or digester feedstock as follows:

15 1. Liquid digester manure or liquid digester feedstock must
16 be stored in a liquid digester storage structure.

17 2. Dry digester manure must be stored in any of the
18 following:

19 a. A dry digester stockpile.

20 b. A liquid digester storage structure.

21 3. Dry digester feedstock originating on-farm must be
22 stored in any of the following:

23 a. A dry digester stockpile.

24 b. A liquid digester storage structure.

25 4. Dry digester feedstock originating off-farm must be
26 stored in a liquid digester storage structure.

27 Sec. 15. NEW SECTION. **458.202 Digestate — required**
28 **storage.**

29 1. A person processing digester manure or digester
30 feedstock at a community anaerobic digester system must store
31 the digestate as follows:

32 a. Liquid digestate must be stored in a liquid digestate
33 storage structure.

34 b. Dry digestate must be stored in any of the following:

35 (1) A dry digestate feedstock stockpile.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 (2) A liquid digestate storage structure.

2 2. A person removing digestate from a community anaerobic
3 digester system must store the digestate in a manner that
4 complies with section 459.311.

5 Sec. 16. NEW SECTION. **458.211 Digester structures —**
6 **construction permits — application process.**

7 1. Except as provided in section 458.217, a construction
8 permit must be issued to an owner of an existing or proposed
9 community anaerobic digester system prior to the construction
10 of a digester structure, including a liquid digester storage
11 structure, a digester processing structure, or a liquid
12 digestate storage structure, as provided by rules adopted by
13 the department pursuant to this chapter. The department may
14 adopt rules providing separate requirements for each type of
15 digester structure, including a liquid digester manure storage
16 structure and a liquid digester feedstock storage structure.

17 2. The department shall not approve an application for
18 a permit to construct or expand a digester structure if the
19 total liquid capacity of all existing and proposed digester
20 structures would exceed one million five hundred thousand
21 gallons.

22 3. The department's decision to approve a permit for
23 the construction of a digester structure shall be based on
24 whether the application is submitted according to procedures
25 required by the department and the application meets standards
26 established by this subchapter and rules adopted by the
27 department.

28 4. Construction of a digester structure shall not begin
29 until the department first approves the application and issues
30 a construction permit.

31 5. The department shall approve an application for a
32 construction permit regardless of whether the applicant is
33 required to be issued a construction permit.

34 6. Prior to submitting an application for a construction
35 permit, the applicant may submit a conceptual design and site

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 investigation report to the department for review and comment.
2 7. The department shall approve or disapprove an
3 application for a construction permit within sixty days after
4 receiving the permit application. However, the applicant may
5 deliver a notice requesting a continuance. Upon receipt of
6 a notice, the time required for the department to act upon
7 the application shall be suspended for the period provided
8 in the notice, but for not more than thirty days after the
9 department's receipt of the notice. The applicant may submit
10 more than one notice. However, the department may provide that
11 an application is terminated if no action is required by the
12 department for one year following delivery of the application
13 to the department. The department may also provide for a
14 continuance when it considers the application. The department
15 shall provide notice to the applicant of the continuance. The
16 time required for the department to act upon the application
17 shall be suspended for the period provided in the notice, but
18 for not more than thirty days. However, the department shall
19 not provide for more than one continuance.

20 Sec. 17. NEW SECTION. **458.212 Digester structures —**
21 **construction permits — contents of application.**

22 An application for a construction permit as required in
23 section 458.211 must include all of the following information:

24 1. The name and contact information of the owner and manager
25 of the anaerobic digester system.

26 2. The type and description of the proposed new or expanded
27 digester structure, whether it is designed as a liquid digester
28 storage structure, including a liquid digester manure storage
29 structure or liquid digester feedstock storage structure or
30 both, a digester processing structure, or a liquid digestate
31 storage structure.

32 3. The size and liquid capacity of the digester structure.

33 4. Whether the digester structure is formed or unformed.

34 5. Whether the digester structure is to be constructed on
35 land that is any of the following:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

- 1 *a.* A critical public area.
2 *b.* A designated area.
3 *c.* A designated wetland.
4 *d.* Karst terrain.
5 *e.* In a one hundred year floodplain.
6 6. Information including but not limited to maps, drawings,
7 and aerial photos that clearly show the location of all of the
8 following:
9 *a.* The location of any neighboring proposed or existing
10 community anaerobic digester system, and any other proposed or
11 existing digester structures.
12 *b.* The location of any animal feeding operation structure
13 existing in proximity to the construction site.
14 *c.* A public water supply system as defined in section
15 455B.171 or a drinking water well which is located within a
16 distance from the proposed construction site as prescribed by
17 rules adopted by the department.
18 7. An engineering report, construction plans, and
19 specifications prepared by a professional engineer. The
20 professional engineer must certify that the construction of
21 the digester structure complies with the construction design
22 standards required in this subchapter.
23 8. A plan for maintaining digester records for inspection by
24 the department as required in section 458.324.
25 9. Any other information determined relevant by the
26 department as provided by rules adopted by the department.
27 Sec. 18. NEW SECTION. **458.213 Digester structures —**
28 **construction permits — application fee.**
29 A person submitting an application for a construction permit
30 as provided in section 458.211 must submit to the department a
31 construction permit application fee as part of the application.
32 The fee shall not exceed one thousand dollars. Moneys
33 collected by the department from the payment of construction
34 permit application fees shall be deposited in the general fund
35 of the state.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 Sec. 19. NEW SECTION. 458.217 **Digester structures —**
2 **construction permits — exception.**

3 A person is not required to be issued a permit to construct
4 a digester structure if the anaerobic digester system is owned
5 by a research college conducting research activities involving
6 the digestion process, including associated liquid digester
7 manure storage or stockpiling, digester feedstock storage
8 or stockpiling, digestate storage, or the application of a
9 digestate.

10 Sec. 20. NEW SECTION. 458.221 **General construction design**
11 **standards — formed liquid digester structures.**

12 1. The department shall adopt rules establishing
13 construction design standards for a formed digester structure,
14 including a formed liquid digester storage structure, a
15 formed digester processing structure, and a formed liquid
16 digestate storage structure. The department may adopt rules
17 providing separate regulations for each type of formed digester
18 structure, including a formed liquid digester manure storage
19 structure and a formed liquid digester feedstock storage
20 structure.

21 2. The construction design standards shall be based, to
22 every extent possible, upon uniform standards such as available
23 standards promulgated by ASTM (American society for testing and
24 materials) international.

25 3. The construction design standards for concrete must
26 provide for all of the following:

27 *a.* The concrete's minimum compressive strength calculated on
28 a pounds-per-square-inch basis.

29 *b.* The use of reinforcement, including but not limited to
30 the grade, amount, and location of steel rebar, fiberglass, or
31 similar materials set in the concrete, or the use of exterior
32 braces to support joints.

33 *c.* The depth of footings.

34 *d.* The thickness of the footings, the floor, and walls.

35 Sec. 21. NEW SECTION. 458.222 **Special construction**

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 **restrictions — formed digester structures.**

2 The department shall adopt rules providing for upgraded
3 construction design standards for a formed digester structure
4 constructed on karst terrain or an area that drains into a
5 known sinkhole as is necessary to ensure that a formed digester
6 structure does not pollute groundwater sources.

7 **Sec. 22. NEW SECTION. 458.225 General construction design**
8 **standards — unformed digester structures — inspections.**

9 1. The department shall adopt rules establishing
10 construction design standards for an unformed digester
11 structure, including an unformed liquid digester storage
12 structure, an unformed digester processing structure, and an
13 unformed liquid digestate storage structure. The department
14 may adopt rules providing separate regulations for each type
15 of formed digester structure, including an unformed liquid
16 digester manure storage structure and an unformed liquid
17 digester feedstock storage structure.

18 2. The construction design standards for an unformed
19 digester structure, established by rules adopted by the
20 department, must account for special design characteristics
21 applicable to an unformed digester storage structure, an
22 unformed digester processing structure, or an unformed liquid
23 digestate storage structure. The construction design standards
24 must account for all of the following:

25 *a.* The lining of the unformed digester structure must be
26 constructed with materials deemed suitable by rules adopted by
27 the department in order to minimize liquid seepage loss through
28 the lining's seal.

29 *b.* The structure must be constructed with materials deemed
30 suitable by rules adopted by the department in order to control
31 erosion on the unformed digester structure's berm, side slopes,
32 and base.

33 *c.* The unformed digester structure must be constructed
34 to minimize the seepage of a liquid into near-surface water
35 sources.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 *d.* The top of the floor of the unformed digester structure's
2 liner must be above the groundwater table as determined by
3 the department. If the groundwater table is less than two
4 feet below the top of the liner's floor, the unformed digester
5 structure must be installed with a synthetic liner. If the
6 department allows an unformed digester structure to be located
7 at a site by permanently lowering the groundwater table,
8 the department shall confirm that the proposed system meets
9 standards necessary to ensure that the unformed digester
10 structure does not pollute groundwater sources. If the
11 department allows drain tile installed to lower a groundwater
12 table to remain where located, the department shall require
13 that a device be installed to allow monitoring of the water in
14 the drain tile line. The department shall also require the
15 installation of a device to allow shutoff of the drain tile
16 lines, if the drain tile lines do not have a surface outlet
17 accessible on the property where the digester structure is
18 located.

19 3. *a.* The department shall conduct a routine inspection
20 of each unformed digester structure at least once each year.
21 A routine inspection conducted pursuant to this subsection
22 shall be limited to a visual inspection of the site where the
23 unformed digester structure is located. The department shall
24 inspect the site at a reasonable time after providing at least
25 twenty-four hours' notice to the person owning or managing the
26 anaerobic digester system. The visual inspection must include
27 but is not limited to determining whether any of the following
28 exist:

- 29 (1) An adequate freeboard level.
- 30 (2) The seepage of a liquid from the unformed digester
31 structure.
- 32 (3) Erosion.
- 33 (4) Inadequate cover.
- 34 (5) The presence of an opening allowing liquid to drain from
35 the unformed digester structure.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 *b.* Paragraph “*a*” does not restrict the department from
2 conducting an inspection of an anaerobic digester system which
3 is not routine.

4 Sec. 23. NEW SECTION. **458.226 Special construction**
5 **restrictions — unformed digester structures.**

6 1. Except as provided in subsection 2, a person shall not
7 construct an unformed digester structure on karst terrain.

8 2. A person may construct an unformed digester structure
9 on karst terrain if there is a twenty-five-foot vertical
10 separation distance between the bottom of the unformed digester
11 structure and underlying limestone, dolomite, or other soluble
12 rock.

13 Sec. 24. NEW SECTION. **458.227 Restrictions — unformed**
14 **digester structures.**

15 1. A person shall not construct an unformed digester
16 structure in an area that drains into a known sinkhole.

17 2. A person shall not construct or expand an unformed liquid
18 digester structure within an agricultural drainage well area
19 as provided in section 460.205.

20 Sec. 25. NEW SECTION. **458.301 Minimum air quality**
21 **separation distance requirements — digester structures.**

22 1. Except as provided in section 458.302, a person shall
23 not construct or expand a digester structure if the digester
24 structure is located within two thousand five hundred feet from
25 any of the following:

26 *a.* A residence not owned by the owner of the community
27 anaerobic digester system.

28 *b.* A designated object or location.

29 2. Except as provided in section 458.302, a person shall
30 not construct or expand a digester structure if the digester
31 structure is within one hundred feet of a public thoroughfare.

32 Sec. 26. NEW SECTION. **458.302 Air quality separation**
33 **distance requirements — digester structures — exemptions.**

34 A separation distance requirement provided in section
35 458.301 does not apply to any of the following:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 1. a. A digester structure that is constructed or
2 expanded, if the titleholder of the land benefiting from the
3 separation distance requirement executes a written waiver with
4 the titleholder of the land where the digester structure is
5 located. If a digester structure is constructed or expanded
6 within the separation distance required between a digester
7 structure and a public thoroughfare, the state or a political
8 subdivision constructing or maintaining the public thoroughfare
9 benefiting from the distance separation requirement may execute
10 a written waiver with the titleholder of the land where the
11 digester structure is located. The digester structure shall be
12 constructed or expanded under such terms and conditions that
13 the parties negotiate.

14 b. A written waiver under this subsection becomes effective
15 only upon the recording of the waiver in the office of the
16 recorder of deeds of the county in which the benefited land
17 is located. The filed waiver shall preclude enforcement by
18 the state of this part as it relates to a separation distance
19 requirement between the digester structure and the location or
20 object benefiting from the separation distance requirement.

21 2. a. A digester structure that is constructed or expanded
22 within any distance from a residence or a designated object or
23 location, if the residence or designated object or location
24 was constructed or expanded after the date that the community
25 anaerobic digester system was established.

26 b. The date that a community anaerobic digester system
27 is established is the date on which the community anaerobic
28 digester system commenced operating. A change in ownership or
29 expansion of the community anaerobic digester system does not
30 change the established date of the community anaerobic digester
31 system.

32 **Sec. 27. NEW SECTION. 458.303 Minimum air quality**
33 **separation distance requirements — stockpiling dry digester**
34 **manure, dry digester feedstock, or dry digestate.**

35 1. Except as provided in subsection 2, a person shall not

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 stockpile dry digester manure, dry digester feedstock, or dry
2 digestate on land that is located within one thousand two
3 hundred fifty feet of any of the following:

4 *a.* A residence not owned by the titleholder of the land.

5 *b.* A designated object or location.

6 2. A person may stockpile dry digester manure within a
7 separation distance required in subsection 1 if the titleholder
8 of the land benefiting from the separation distance requirement
9 executes a written waiver with the titleholder of the land
10 where the stockpile is located.

11 Sec. 28. NEW SECTION. **458.304 Minimum air quality**
12 **separation distance requirements — application of liquid**
13 **digestate.**

14 1. Except as provided in subsection 2, a person shall not
15 apply liquid digestate on land located within seven hundred
16 fifty feet of any of the following:

17 *a.* A residence not owned by the titleholder of the land.

18 *b.* A designated object or location.

19 2. A person may apply liquid digestate on land within a
20 separation distance required in subsection 1 if any of the
21 following apply:

22 *a.* The liquid digestate is injected into the soil or
23 incorporated within the soil not later than twenty-four hours
24 from the original application, as provided by rules adopted by
25 the department.

26 *b.* The titleholder of the land benefiting from the
27 separation distance requirement executes a written waiver with
28 the titleholder of the land where the liquid digestate is
29 applied.

30 *c.* The liquid digestate is applied by spray irrigation
31 equipment using a center pivot mechanism as provided by rules
32 adopted by the department, if all of the following apply:

33 (1) The spray irrigation equipment uses hoses which apply
34 the liquid digestate in a downward direction at a height of not
35 more than nine feet above the soil.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 (2) The spray irrigation equipment disperses liquid
2 digestate through an orifice at a maximum pressure of not more
3 than twenty-five pounds per square inch.

4 (3) The liquid digestate is not applied within two hundred
5 fifty feet from a residence not owned by the titleholder of the
6 land, or designated object or location.

7 Sec. 29. NEW SECTION. 458.311 Water quality — minimum
8 requirements for digester manure control.

9 The delivery of digester manure by an animal feeding
10 operation for processing by an anaerobic digester system in a
11 manner that complies with this part constitutes manure disposal
12 satisfying the requirements of section 459.311.

13 Sec. 30. NEW SECTION. 458.312 Water quality — duty of
14 removal.

15 The owner of a digester structure that is part of an
16 anaerobic digester system that discontinues use shall remove
17 all material from the digester structure within six months
18 following the date that the anaerobic digester system is
19 discontinued.

20 Sec. 31. NEW SECTION. 458.313 Water quality —
21 restrictions.

22 1. A person shall not construct or expand an unformed
23 digester structure within an agricultural drainage well area
24 as provided in section 460.205.

25 2. A person shall not construct a digester structure on land
26 that is part of a one hundred year floodplain as designated by
27 rules adopted by the department.

28 Sec. 32. NEW SECTION. 458.315 Water quality — separation
29 distance requirements — digester structures.

30 1. Except as provided in subsection 2, all of the following
31 apply:

32 a. A person shall not construct or expand a digester
33 structure closer than five hundred feet away from the surface
34 intake of an agricultural drainage well. A digester structure
35 shall not be constructed closer than one thousand feet from a

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 wellhead, cistern of an agricultural drainage well, or known
2 sinkhole. However, the department may adopt rules requiring an
3 increased separation distance under this paragraph in order to
4 protect the integrity of a water of the state. The increased
5 separation distance shall not be more than two thousand feet.
6 If the department exercises its discretion to increase the
7 separation distance requirement, the department shall not
8 approve an application for a permit under subchapter II to
9 construct a digester structure within that separation distance.

10 *b.* A digester structure shall not be constructed if the
11 digester structure as constructed is closer than any of the
12 following:

13 (1) Five hundred feet away from a water source other than a
14 major water source.

15 (2) One thousand feet away from a major water source.

16 (3) Two thousand five hundred feet away from a designated
17 wetland.

18 *c.* (1) A water source, other than a major water source,
19 shall not be constructed, expanded, or diverted, if the water
20 source as constructed, expanded, or diverted is closer than
21 five hundred feet away from a community anaerobic digester
22 system.

23 (2) A major water source shall not be constructed, expanded,
24 or diverted if the major water source as constructed, expanded,
25 or diverted is closer than one thousand feet from a digester
26 structure.

27 (3) A designated wetland shall not be established, if the
28 designated wetland is closer than two thousand five hundred
29 feet away from a digester structure.

30 2. A separation distance required in subsection 1 does not
31 apply to any of the following:

32 *a.* A farm pond or privately owned lake, as those terms are
33 defined in section 462A.2.

34 *b.* A digester structure with a secondary containment
35 barrier. The department shall adopt rules providing for the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 construction and use of a secondary containment barrier,
2 including construction design standards.

3 Sec. 33. NEW SECTION. 458.316 Water quality — general
4 requirements for stockpiling dry digester manure, dry digester
5 feedstock, or dry digestate.

6 1. A person stockpiling dry manure, dry digester feedstock,
7 or dry digestate shall comply with applicable requirements of
8 the national pollutant discharge elimination system pursuant to
9 the federal Water Pollution Control Act.

10 2. A person shall remove stockpiled dry manure, dry digester
11 feedstock, or dry digestate within six months after the dry
12 manure, dry digester feedstock, or dry digestate is stockpiled.

13 Sec. 34. NEW SECTION. 458.317 Water quality — separation
14 distances for stockpiling dry digester manure, dry digester
15 feedstock, or dry digestate.

16 1. a. Except as provided in paragraph “b”, a person shall
17 not stockpile dry digester manure, dry digester feedstock,
18 or dry digestate closer than the following distances to a
19 designated area:

20 (1) Four hundred feet from a designated area other than a
21 high-quality water resource.

22 (2) Eight hundred feet from a high-quality water resource.

23 b. A person may apply dry digester manure, dry digester
24 feedstock, or dry digestate that is maintained in a manner that
25 will not allow precipitation-induced runoff to drain from the
26 dry digestate to the designated area.

27 2. a. Except as provided in paragraph “b”, a person shall
28 not stockpile dry digester manure, dry digester feedstock, or
29 dry digestate within two hundred feet from a terrace tile inlet
30 or surface tile inlet.

31 b. A person may apply dry digester manure, dry digester
32 feedstock, or dry digestate that is maintained in a manner that
33 will not allow precipitation-induced runoff to drain from the
34 dry digestate to the terrace tile inlet or surface tile inlet.

35 3. A person shall not stockpile dry digester manure, dry

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 digester feedstock, or dry digestate in a grassed waterway,
2 where water pools on the soil surface, or in any location where
3 surface water will enter the stockpiled dry digester manure,
4 dry digester feedstock, or dry digestate.

5 4. a. Except as provided in paragraph "b", a person shall
6 not stockpile dry digester manure, dry digester feedstock,
7 or dry digestate on land having a slope of more than three
8 percent.

9 b. A person may stockpile dry digester manure, dry digester
10 feedstock, or dry digestate on land having a slope described
11 in paragraph "a" if the person uses methods, structures, or
12 practices implemented to contain the stockpiled dry digester
13 manure, dry digester feedstock, or dry digestate, including but
14 not limited to using hay bales, silt fences, temporary earthen
15 berms, or other effective measures, and to prevent or diminish
16 precipitation-induced runoff from the stockpiled dry digester
17 manure, dry digester feedstock, or dry digestate.

18 Sec. 35. NEW SECTION. 458.318 Water quality — special
19 requirements for stockpiling dry digester manure, dry digester
20 feedstock, or dry digestate on karst terrain or in alluvial
21 aquifer.

22 A person may stockpile dry digester manure, dry digester
23 feedstock, or dry digestate on karst terrain or in an alluvial
24 aquifer in compliance with all of the following:

25 1. The person must stockpile the dry digester manure, dry
26 digester feedstock, or dry digestate at a location where there
27 is a vertical separation distance of at least five feet between
28 the bottom of the stockpiled dry digester manure, dry digester
29 feedstock, or dry digestate and the underlying limestone,
30 dolomite, or other soluble rock in karst terrain or the
31 underlying sand and gravel aquifer in an alluvial aquifer area.

32 2. The dry digestate must be stockpiled on reinforced
33 concrete at least five inches thick.

34 Sec. 36. NEW SECTION. 458.321 Water quality — applying
35 digester manure or digester feedstock.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 1. Except as provided in subsection 2, a person shall not
2 apply digester manure or digester feedstock on land that is
3 on-farm or off-farm.

4 2. A person may apply digester manure or digester feedstock
5 on-farm or off-farm according to the terms of a waiver issued
6 by the department.

7 Sec. 37. NEW SECTION. **458.322 Water quality — applying**
8 **digestate on snow covered or frozen ground.**

9 A person may apply digestate on snow covered or frozen
10 ground except to the extent otherwise provided by applicable
11 requirements for digester manure in this chapter, section
12 459.313A, or the national pollutant discharge elimination
13 system pursuant to the federal Water Pollution Control Act.

14 Sec. 38. NEW SECTION. **458.323 Digestate management**
15 **supplement.**

16 If digestate is applied on land subject to a manure
17 management plan or a nutrient management plan, the manure
18 management plan or nutrient management plan must be attached
19 with a digestate management supplement. The digestate
20 management supplement must include all of the following:

21 1. Calculations necessary to determine the land area
22 required for the application of the digestate and manure from a
23 confinement feeding operation or effluent from an open feedlot
24 operation.

25 2. The nutrient concentrations of the digestate.

26 Sec. 39. NEW SECTION. **458.324 Records.**

27 1. The owner or manager of a community anaerobic digester
28 system must maintain and update digester management records
29 regarding operations of a community anaerobic digester system.

30 2. The digester management records must include information
31 required by the department which may include the following:

32 a. The digester manure, digester feedstock, and inorganic
33 materials subject to processing.

34 b. The location of dry digester manure stockpiles, dry
35 digester feedstock stockpiles, and dry digestate stockpiles

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 located on the community anaerobic digester system.

2 *c.* The types of digester feedstock used.

3 *d.* The types of biogas processed, the storage of biogas, and
4 method of transporting the biogas.

5 *e.* An estimate of the volume or weight capacity of digester
6 manure or digester feedstock stored and processed.

7 *f.* On-farm or off-farm use of the digestate, including
8 the manure management plan or nutrient management plan that
9 includes a digestate management supplement as required in
10 section 458.323.

11 3. The department shall adopt rules for the inspection of
12 digester management records during normal business hours.

13 4. Chapter 22 does not apply to digester management records,
14 which shall be kept confidential by the department and its
15 agents and employees. The contents of the records are not
16 subject to disclosure except as follows:

17 *a.* Upon waiver by the person owning or managing the
18 community anaerobic digester system.

19 *b.* In an action or administrative proceeding commenced under
20 this chapter. Any hearing related to the action or proceeding
21 shall be closed.

22 *c.* When required by subpoena or court order.

23 Sec. 40. NEW SECTION. **458.401 General.**

24 The department and the attorney general shall enforce the
25 provisions of this chapter in the same manner as provided in
26 chapter 455B, subchapter I, unless otherwise provided in this
27 chapter.

28 Sec. 41. NEW SECTION. **458.402 Violations — civil penalty.**

29 1. A person who violates a provision in subchapter III, part
30 1, shall be subject to the same penalty as provided in section
31 459.602, and a person who violates any other provision of this
32 chapter shall be subject to the same penalty as provided in
33 section 459.603.

34 2. Any collected civil penalty and interest on a civil
35 penalty shall be credited to the Iowa nutrient research fund

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 created in section 466B.46.

2 Sec. 42. CODE EDITOR DIRECTIVE.

3 1. The Code editor is directed to create subchapters and
4 parts in chapter 458 as follows:

5 a. Subchapter I shall include sections 458.101 through
6 458.200.

7 (1) Part 1 shall include sections 458.101 through 458.110.

8 (2) Part 2 shall include sections 458.111 through 458.200.

9 b. Subchapter II shall include sections 458.201 through
10 458.300.

11 (1) Part 1 shall include sections 458.201 through 458.210.

12 (2) Part 2 shall include sections 458.211 through 458.220.

13 (3) Part 3 shall include sections 458.221 through 458.300.

14 c. Subchapter III shall include sections 458.301 through
15 458.400.

16 (1) Part 1 shall include sections 458.301 through 458.310.

17 (2) Part 2 shall include sections 458.311 through 458.400.

18 d. Subchapter IV shall include sections 458.401 and
19 458.402.

20 2. The Code editor is directed to correct internal
21 references in the Code and in any enacted legislation as
22 necessary due to enactment of this section.

23 DIVISION II

24 COORDINATING PROVISIONS

25 Sec. 43. Section 455A.4, subsection 1, paragraph b, Code
26 2025, is amended to read as follows:

27 b. Provide overall supervision, direction, and coordination
28 of functions to be administered by the administrators under
29 chapters 321G, 321I, 455B, 455C, 456A, 456B, 457A, 458, 458A,
30 459, 459A, 459B, 461A, 462A, 462B, 464A, 465C, 473, 481A, 481B,
31 483A, 484A, and 484B.

32 Sec. 44. Section 455B.103, subsection 4, unnumbered
33 paragraph 1, Code 2025, is amended to read as follows:

34 Conduct investigations of complaints received directly
35 or referred by the commission created in section 455A.6 or

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 other investigations deemed necessary. While conducting an
2 investigation, the director may enter at any reasonable time
3 in and upon any private or public property to investigate
4 any actual or possible violation of this chapter, chapter
5 458, chapter 459, chapter 459A, chapter 459B, or the rules or
6 standards adopted under this chapter, chapter 458, chapter 459,
7 chapter 459A, or chapter 459B. However, the owner or person in
8 charge shall be notified.

9 Sec. 45. Section 455B.112, Code 2025, is amended to read as
10 follows:

11 **455B.112 Actions by attorney general.**

12 In addition to the duty to commence legal proceedings at
13 the request of the director or commission under this chapter;
14 chapter 458; chapter 459, subchapters I, II, III, IV, and
15 VI; chapter 459A; or chapter 459B, the attorney general may
16 institute civil or criminal proceedings, including an action
17 for injunction, to enforce the provisions of this chapter;
18 chapter 458; chapter 459, subchapters I, II, III, IV, and VI;
19 chapter 459A; or chapter 459B, including orders or permits
20 issued or rules adopted under this chapter; chapter 458;
21 chapter 459, subchapters I, II, III, IV, and VI; chapter 459A;
22 or chapter 459B.

23 Sec. 46. Section 455B.113, subsection 1, Code 2025, is
24 amended to read as follows:

25 1. The director shall certify laboratories which perform
26 laboratory analyses of samples required to be submitted by
27 the department by this chapter; chapter 458; chapter 459,
28 subchapters I, II, III, IV, and VI; or chapter 459A, or by
29 rules adopted in accordance with this chapter; chapter 458;
30 chapter 459, subchapters I, II, III, IV, and VI; or chapter
31 459A, or by permits or orders issued under this chapter;
32 chapter 458; chapter 459, subchapters I, II, III, IV, and VI;
33 or chapter 459A.

34 Sec. 47. Section 455B.115, Code 2025, is amended to read as
35 follows:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 **455B.115 Analysis by certified laboratory required.**

2 Laboratory analysis of samples as required by [this chapter](#);
3 [chapter 458](#); [chapter 459, subchapters I, II, III, IV, and](#)
4 [VI](#); or [chapter 459A](#); or by rules adopted, or by permits or
5 orders issued pursuant to [this chapter](#); [chapter 458](#); chapter
6 459, subchapters I, II, III, IV, and VI; or [chapter 459A](#) shall
7 be conducted by a laboratory certified by the director as
8 having the necessary competence, equipment, and capabilities to
9 perform the analysis. Analytical results from laboratories not
10 certificated shall not be accepted by the director.

11 Sec. 48. Section 455B.174, subsections 1 and 3, Code 2025,
12 are amended to read as follows:

13 1. Conduct investigations of alleged water pollution or of
14 alleged violations of [this part 1 of subchapter III](#); [chapter](#)
15 [458](#); [chapter 459, subchapter III](#); [chapter 459A](#); or chapter
16 [459B](#); or any rule adopted or any permit issued pursuant to
17 this part 1 of subchapter III; [chapter 458](#); chapter 459,
18 subchapter III; [chapter 459A](#); or [chapter 459B](#); upon written
19 request of any state agency, political subdivision, local board
20 of health, twenty-five residents of the state, as directed
21 by the department, or as may be necessary to accomplish the
22 purposes of [this part 1 of subchapter III](#); [chapter 458](#);
23 [chapter 459, subchapter III](#); [chapter 459A](#); or [chapter 459B](#).

24 3. Take any action or actions allowed by law which, in
25 the director's judgment, are necessary to enforce or secure
26 compliance with the provisions of [this part 1 of subchapter III](#)
27 ~~or~~; [chapter 458](#); [chapter 459, subchapter III](#); or of any rule
28 or standard established or permit issued pursuant to this part
29 1 of subchapter III ~~or~~; [chapter 458](#); or chapter 459, subchapter
30 III.

31 Sec. 49. Section 455B.175, subsection 1, unnumbered
32 paragraph 1, Code 2025, is amended to read as follows:

33 If there is substantial evidence that any person has
34 violated or is violating any provision of, or any rule or
35 standard established or permit issued pursuant to, this part 1

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 of subchapter III~~7~~; chapter 458; chapter 459, subchapter III~~7~~;
2 chapter 459A~~7~~; or chapter 459B~~7~~; then one of the following may
3 apply:

4 Sec. 50. Section 455B.182, Code 2025, is amended to read as
5 follows:

6 **455B.182 Failure constitutes contempt.**

7 Failure to obey any order issued by the department with
8 reference to a violation of this part 1 of subchapter III;
9 chapter 458; chapter 459, subchapter III; chapter 459A; chapter
10 459B; or any rule promulgated or permit issued pursuant thereto
11 shall constitute prima facie evidence of contempt. In such
12 event the department may certify to the district court of the
13 county in which such alleged disobedience occurred the fact of
14 such failure. The district court after notice, as prescribed
15 by the court, to the parties in interest shall then proceed to
16 hear the matter and if it finds that the order was lawful and
17 reasonable, it shall order the party to comply with the order.
18 If the person fails to comply with the court order, that person
19 shall be guilty of contempt and shall be fined not to exceed
20 five hundred dollars for each day that the person fails to
21 comply with the court order. The penalties provided in this
22 section shall be considered as additional to any penalty which
23 may be imposed under the law relative to nuisances or any other
24 statute relating to the pollution of any waters of the state or
25 related to public water supply systems and a conviction under
26 this section shall not be a bar to prosecution under any other
27 penal statute.

28 Sec. 51. Section 455B.185, Code 2025, is amended to read as
29 follows:

30 **455B.185 Data from departments.**

31 The commission and the director may request and receive
32 from any department, division, board, bureau, commission,
33 public body, or agency of the state, or of any political
34 subdivision thereof, or from any organization, incorporated or
35 unincorporated, which has for its object the control or use of

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 any of the water resources of the state, such assistance and
2 data as will enable the commission or the director to properly
3 carry out their activities and effectuate the purposes of this
4 part 1 of subchapter III; chapter 458; chapter 459, subchapter
5 III; chapter 459A; or chapter 459B. The department shall
6 reimburse such agencies for special expense resulting from
7 expenditures not normally a part of the operating expenses of
8 any such agency.

9 Sec. 52. NEW SECTION. **459.104 Digestates.**

10 This chapter does not apply to digestate processed at a
11 community anaerobic digester system as regulated in chapter
12 458, unless the digestate is combined with manure.

13 Sec. 53. NEW SECTION. **459.312B Digestate management**
14 **supplement attached to nutrient management plan.**

15 If digestate is applied on land subject to a manure
16 management plan pursuant to section 459.312, the manure
17 management plan must be attached with a digestate management
18 supplement as provided in section 458.323.

19 Sec. 54. NEW SECTION. **459A.106 Digestates.**

20 This chapter does not apply to digestate processed at a
21 community anaerobic digester system as regulated in chapter 458
22 unless the digestate is combined with effluent.

23 Sec. 55. NEW SECTION. **459A.208A Digestate management**
24 **supplement attached to nutrient management plan.**

25 If digestate is applied on land subject to a nutrient
26 management plan pursuant to section 459A.208, the nutrient
27 management plan must be attached with a digestate management
28 supplement as provided in section 458.323.

29 Sec. 56. NEW SECTION. **459B.105 Digestates.**

30 This chapter does not apply to digestates processed at a
31 community anaerobic digester system as regulated in chapter
32 458.

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.

LSB 2958HV (2) 91
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Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 GENERAL. This bill provides for the regulation of a
2 community anaerobic digester system (system) by the department
3 of natural resources (DNR) which must include a digester
4 processing structure that primarily processes manure but may
5 also process other organic feedstocks. The system produces
6 a biogas which is a source of renewable fuel and a digestate
7 which is a nutrient-rich material that may be applied to
8 cropland.

9 TERMINOLOGY. The bill provides for the regulation of
10 off-farm systems. "On-farm" refers to real property used to
11 produce agricultural animals or crops as compared to "off-farm"
12 which refers to real property other than on-farm. Once
13 manure or feedstock is received by the system, the manure is
14 referred to as digester manure and the feedstock is referred
15 to as digester feedstock. The off-farm system receives
16 on-farm manure and either on-farm or off-farm feedstock. The
17 digester manure or digester feedstock is subject to storage
18 requirements. Different regulations apply to digester
19 feedstock or digester manure that is dry or liquid. Digester
20 manure or digester feedstock is classified as dry only if the
21 digester manure or digester feedstock does not flow perceptibly
22 under pressure, is not capable of being transported through
23 a mechanical pumping device designed to move a liquid, and
24 consists of molecules that do not flow freely among themselves.
25 Generally, liquid digester manure and liquid digester feedstock
26 must be stored in a liquid digester storage structure. Dry
27 digester manure or dry digester feedstock must be stored as
28 a dry digester stockpile or in a liquid digester storage
29 structure. The digester manure or digester feedstock is used
30 by a digester processing structure to produce biogas and a
31 digestate. A digester processing structure must process manure
32 as its primary source. Digestate is also referred to as dry
33 or liquid based on the same criteria used for digester manure
34 and digester feedstock. Liquid digestate is stored in a liquid
35 digestate storage structure and dry digestate is stored as a

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 stockpile or in a liquid digestate storage structure. The
2 scope of the bill is limited to the off-farm construction,
3 including expansion, of digester structures on the site of the
4 system, the off-farm stockpiling of dry digester manure or
5 feedstock on the site of the system, the off-farm storage and
6 stockpiling of digestate on the site of the system, the removal
7 of the digestate from the off-farm site of the system, and
8 the on-farm storage and application of the removed digestate.
9 Any reference in the bill to a digester structure means a
10 covered liquid digester storage structure, a covered digester
11 processing structure, or a covered liquid digestate storage
12 structure. Any reference to a digester stockpile refers to a
13 dry digester manure or feedstock stockpile or a dry digestate
14 stockpile.

15 REGULATION. The bill provides that a system cannot be
16 identified with an animal feeding operation where animals are
17 confined and fed and maintained for 45 days or more in any
18 12-month period. Identification occurs only if the system
19 and the animal feeding operation are both (1) under common
20 ownership or management and (2) adjacent.

21 CONSTRUCTION. The bill provides that a construction
22 permit must be issued by DNR prior to the construction
23 of a digester structure. The requirements for a permit
24 are based on permit requirements for the construction of
25 manure storage structures. The application must include an
26 engineering report, construction plans, and specifications
27 prepared by a professional engineer. The bill provides
28 for an application fee not to exceed \$1,000. The bill also
29 provides for construction design standards for a formed
30 or unformed digester structure. The construction design
31 standards must be based on uniform standards such as available
32 standards promulgated by ASTM (American society for testing and
33 materials) international. The design standards for unformed
34 digester feedstock storage structures must account for the use
35 of linings and erosion controls.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 SEPARATION DISTANCE REQUIREMENTS — AIR QUALITY. The bill
2 provides separation distance requirements as part of air
3 quality and water quality standards. Generally, the separation
4 distance requirements for air quality apply between a digester
5 structure and either a residence not owned by the owner of
6 the system or a designated object or location (commercial
7 enterprise, bona fide religious institution, educational
8 institution, public use area, or public thoroughfare). Other
9 separation distances apply to the stockpiling of dry digester
10 manure or feedstock, or digestate and those same designated
11 objects or locations. The bill also provides separation
12 distance requirements for air quality that apply between
13 the digestate application site and the designated object or
14 location. The separation distance requirements for air quality
15 also provide for certain exceptions, including a waiver by a
16 person benefiting from the separation distance.

17 SEPARATION DISTANCE REQUIREMENTS — WATER QUALITY. The
18 bill provides a number of separation distance requirements
19 between a digester structure and certain sources of water,
20 including an agricultural drainage well, known sinkhole, lake,
21 river, reservoir, creek, stream, or ditch. The bill provides
22 separation distance requirements between digestate stockpiles
23 and water sources, with exceptions that apply if measures are
24 taken to reduce runoff. Special restrictions are placed on a
25 stockpile located in karst terrain. The bill restricts the
26 application of digestate on snow covered or frozen ground.

27 DIGESTATE MANAGEMENT. The bill provides that if digestate
28 is applied on land subject to a manure management plan or
29 nutrient management plan, such plan must be attached with
30 a second document referred to as a digestate management
31 supplement. The digestate management supplement must include
32 information necessary to determine the land area required
33 for the application of the digestate and the nutrient
34 concentrations of the digestate. Finally, the bill requires
35 the owner or manager of the system to maintain records

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 987

1 regarding the system's operation.

2 CIVIL PENALTIES. A person who violates an air quality
3 regulation or water quality regulation is subject to a civil
4 penalty based on a schedule established by DNR rule. The
5 civil penalty cannot exceed \$10,000 per violation. The civil
6 penalty for a water quality violation may also be subject to
7 a judicial civil penalty not to exceed \$5,000 for each day of
8 such violation.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 988 - Introduced

HOUSE FILE 988
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 622)
(SUCCESSOR TO HSB 149)

A BILL FOR

1 An Act creating a catastrophic savings account and modifying
2 individual income taxes for account holders and including
3 applicability provisions.

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

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 Section 1. Section 422.7, Code 2025, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 45. a. Subject to the restrictions of this
4 subsection, subtract the sum of the following amounts:

5 (1) The amount of contributions made by an account holder
6 during the tax year to the account holder's catastrophic
7 savings account under chapter 541C, not to exceed the following
8 aggregate lifetime limits:

9 (a) For account holders whose annual homeowner's property
10 and casualty insurance policy premium paid during the tax year
11 is less than one thousand dollars, an amount not to exceed two
12 thousand dollars.

13 (b) For account holders whose annual homeowner's property
14 and casualty insurance policy premium during the tax year is
15 equal to or exceeds one thousand dollars, an amount not to
16 exceed the lesser of the following:

17 (i) Fifteen thousand dollars.

18 (ii) Twice the annual homeowner's property and casualty
19 insurance policy premium paid during the tax year.

20 (c) For account holders who are self-insured, or choose not
21 to obtain a homeowner's property and casualty insurance policy,
22 or are unable to obtain a homeowner's property and casualty
23 insurance policy, an amount not exceeding three hundred fifty
24 thousand dollars, or the assessed value of the home, whichever
25 is less.

26 (2) To the extent included, income from interest received
27 from the account holder's catastrophic savings account.

28 b. (1) The subtraction in paragraph "a" shall not be
29 allowed if funds are withdrawn from an account holder's
30 catastrophic savings account and used for purposes other than
31 as allowed in this subsection or chapter 541C.

32 (2) Add, to the extent previously deducted under paragraph
33 "a", the amount withdrawn during the tax year from an
34 account holder's catastrophic savings account in excess of
35 an authorized payment for qualified catastrophic expenses

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 authorized in section 541C.3.

2 (3) If an account holder dies, the amount of money in the
3 catastrophic savings account shall be included in the taxable
4 income of the person who receives the account, unless that
5 person is the surviving spouse of the account holder. Upon
6 the death of the surviving spouse, the amount of money in
7 the account shall be included in the taxable income of the
8 person who receives the account. The additional tax imposed
9 in subparagraph (5) of this paragraph does not apply to a
10 distribution from the account upon the death of the account
11 holder or the surviving spouse.

12 (4) Except for certain deaths described in subparagraph
13 (3), if an account holder sells their homestead and does
14 not purchase a new homestead within six months of the sale,
15 the account holder shall include the amount of money in the
16 catastrophic savings account as taxable income in the year the
17 homestead is sold.

18 (5) For any amount considered a withdrawal required to be
19 added to net income pursuant this paragraph, the account holder
20 shall be assessed a penalty equal to two and one-half percent
21 of the amount of the withdrawal in excess of an authorized
22 payment for qualified catastrophic expenses. The penalty
23 shall not apply to withdrawals due to the death of the account
24 holder, or to withdrawals made pursuant to a garnishment,
25 levy, or other order, including but not limited to an order in
26 bankruptcy following a filing for protection under the federal
27 bankruptcy code, 11 U.S.C. §101 et seq.

28 (6) For purposes of this paragraph, the transfer of amounts
29 in order to change catastrophic savings account institutions
30 by the account holder shall not cause such transfer to be
31 considered a withdrawal to be added to net income pursuant this
32 paragraph.

33 *c.* Add, to the extent deducted for federal tax purposes,
34 interest, taxes, and other miscellaneous expenses to the extent
35 such amounts are qualified catastrophic expenses in connection

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 with a catastrophic loss that were paid or reimbursed from
2 funds in the catastrophic savings account.

3 *d.* For purposes of this subsection:

4 (1) "*Account holder*" means the same as defined in section
5 541C.2, regardless of filing status.

6 (2) "*Catastrophic savings account*" means the same as defined
7 in section 541C.2.

8 (3) "*Qualified catastrophic expense*" means the same as
9 defined in section 541C.2.

10 Sec. 2. NEW SECTION. 541C.1 Short title.

11 This chapter may be cited as the "*Catastrophic Savings*
12 *Account Act*".

13 Sec. 3. NEW SECTION. 541C.2 Definitions.

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

16 1. "*Account holder*" means an individual who is a resident
17 and who establishes, either individually or jointly with the
18 individual's spouse, a catastrophic savings account pursuant
19 to section 541C.3.

20 2. "*Catastrophic event*" means windstorms, cyclones,
21 earthquakes, ice storms, tornadoes, high winds, flood, hail
22 and force majeure, and similar perils not normally among those
23 covered under most property casualty insurance policies, but
24 obtainable through the purchase of wind, wind and hail, flood,
25 or storm or windstorm coverage, or any combination of those
26 coverages. The term "*catastrophic event*" also includes any
27 event for which a major disaster has been declared to exist by
28 the president of the United States or for which the governor
29 has proclaimed a state of disaster emergency.

30 3. "*Catastrophic savings account*" or "*savings account*" means
31 an account that meets the requirements of sections 541C.3 and
32 541C.4 and that was established for the purpose of paying or
33 reimbursing a designated beneficiary's qualified catastrophic
34 expenses.

35 4. "*Department*" means the department of revenue.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 5. *“Designated beneficiary”* means an individual meeting the
2 requirements of section 541C.3, subsection 2, and designated
3 by an account holder as beneficiary of the account holder’s
4 catastrophic savings account pursuant to section 541C.3,
5 subsection 2.

6 6. *“Financial institution”* means the same as defined in
7 section 537.1301.

8 7. *“Homestead”* means the same as defined in section 425.11.

9 8. *“Individual”* means a natural person.

10 9. *“Qualified catastrophic expense”* means the payment of a
11 homeowner’s property and casualty insurance policy deductible
12 under an insurance policy covering the account holder’s
13 homestead, if the policy covers flood, windstorm, or another
14 catastrophic event, or the equivalent of such payments by an
15 uninsured account holder.

16 10. *“Resident”* means the same as defined in section 422.4.

17 Sec. 4. NEW SECTION. **541C.3 Catastrophic savings account.**

18 1. *a.* Beginning January 1, 2026, an individual may open an
19 interest-bearing savings account with a financial institution
20 and designate the entire account as a catastrophic savings
21 account for the purpose of paying qualified catastrophic
22 expenses. The savings account designation shall be made
23 no later than April 30 of the year following the tax year
24 during which the account is opened, on forms provided by the
25 department.

26 *b.* An account holder shall not establish more than one
27 savings account.

28 2. *a.* The account holder shall designate one individual
29 as beneficiary of the savings account. The designation shall
30 be made on forms provided by the department and no later than
31 April 30 of the year following the tax year during which
32 the account is opened. The account holder may change the
33 designated beneficiary of the savings account at any time.

34 *b.* The account holder and designated beneficiary of a
35 savings account may be the same individual.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 Sec. 5. NEW SECTION. 541C.4 Account administration —
2 account holder responsibilities.

3 1. a. Contributions to an account may be made by any person
4 in the form of cash. The aggregate lifetime contribution
5 limitations that may be made to a savings account are as
6 follows:

7 (1) For account holders whose annual homeowner's property
8 and casualty insurance policy premium paid during the tax year
9 is less than one thousand dollars, an amount not to exceed two
10 thousand dollars.

11 (2) For account holders whose annual homeowner's property
12 and casualty insurance policy premium during the tax year is
13 equal to or exceeds one thousand dollars, an amount not to
14 exceed the lesser of the following:

15 (a) Fifteen thousand dollars.

16 (b) Twice the annual homeowner's property and casualty
17 insurance policy premium paid during the tax year.

18 (3) For account holders who are self-insured, or choose not
19 to obtain a homeowner's property and casualty insurance policy,
20 or are unable to a obtain homeowner's property and casualty
21 insurance policy, an amount not exceeding three hundred fifty
22 thousand dollars, or the assessed value of the home, whichever
23 is less.

24 b. Interest accrued in the savings account shall not be
25 counted for purposes of calculating the aggregate lifetime
26 contribution limitations.

27 c. The aggregate lifetime contribution limitations of an
28 account holder may increase if an account holder's homeowner's
29 property and casualty homeowner's insurance policy premium
30 increases as provided in paragraph "a", but once an aggregate
31 lifetime limitation is achieved in paragraph "a" the aggregate
32 lifetime limitation is not required to decrease.

33 2. The account holder shall not use funds held in a savings
34 account to pay expenses, if any, of administering the account,
35 except that all fees and charges assessed by the financial

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Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 institution may be deducted from the account by the financial
2 institution where the account is held.

3 3. The account holder shall submit the following
4 information to the department:

5 a. An annual report for the savings account on forms
6 furnished by the department. The report shall be included with
7 the Iowa income tax return of the account holder.

8 b. A copy of the federal internal revenue service form
9 1099, or other similar federal internal revenue service income
10 reporting form, if any, issued for the savings account to the
11 account holder by the financial institution where the account
12 is held. The form shall be included with the Iowa income tax
13 return of the account holder.

14 c. Upon a withdrawal of funds from a catastrophic savings
15 account, a transaction report on forms furnished by the
16 department.

17 4. The account holder may withdraw funds from a savings
18 account at any time.

19 Sec. 6. NEW SECTION. 541C.5 Financial institution
20 protections.

21 This chapter shall not be construed to require a financial
22 institution to do any of the following, or to be responsible or
23 liable for any of the following:

24 1. Designate or label within the financial institution's
25 account contracts, systems, or in any other manner, an account
26 as a savings account.

27 2. Ascertain or verify the purpose of a withdrawal of funds
28 from a savings account, or track the destination or use of the
29 withdrawn funds.

30 3. Allocate funds in a savings account to a designated
31 beneficiary or among joint account holders.

32 4. Report any information to the department or any other
33 governmental agency.

34 5. Determine or ensure that an account satisfies the
35 requirements to be a savings account.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 6. Determine or ensure that funds withdrawn from a savings
2 account are used for the payment of qualified catastrophic
3 expenses.

4 7. Report or remit taxes or penalties related to the
5 ownership or use of a savings account.

6 8. Include the name of a beneficiary in the title of a
7 savings account, or document the change of any beneficiary to
8 a savings account.

9 Sec. 7. NEW SECTION. 541C.6 Tax considerations.

10 The state income tax treatment of a savings account shall be
11 as provided in section 422.7, subsection 45.

12 Sec. 8. NEW SECTION. 541C.7 Rules and forms.

13 1. The department shall adopt rules to implement and
14 administer this chapter.

15 2. The department shall create and make available forms
16 to be used in complying with this chapter, including but not
17 limited to the following:

18 a. A form for designating an account as a savings account
19 pursuant to section 541C.3, subsection 1, paragraph "a".

20 b. A form for designating an individual as beneficiary of
21 a savings account pursuant to section 541C.3, subsection 2,
22 paragraph "a".

23 c. A savings account annual report as required in section
24 541C.4, subsection 3, paragraph "a". The report shall require,
25 at a minimum, a list of transactions occurring on the account
26 during the tax year, and shall identify any supporting
27 documentation to be included with the report or maintained by
28 the taxpayer.

29 d. A transaction report as required in section 541C.4,
30 subsection 3, paragraph "c", which report shall require, at a
31 minimum, information regarding the eligible home costs to which
32 any withdrawn funds were applied in connection with a qualified
33 home purchase, and information regarding the amount of funds
34 remaining, if any, in a catastrophic savings account.

35 Sec. 9. APPLICABILITY. This Act applies to tax years

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 beginning on or after January 1, 2026.

2

EXPLANATION

3

The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

4

5 This bill allows individuals who are residents, on or after
6 January 1, 2026, to open an interest-bearing savings account
7 with a state or federally chartered bank, savings and loan
8 association, credit union, or trust company in this state
9 and designate the account as a catastrophic savings account
10 (account) for the purpose of financing the payment of qualified
11 catastrophic expenses.

12 "Qualified catastrophic expense" is defined in the bill
13 to mean the payment of a homeowner's property and casualty
14 insurance deductible under an insurance policy covering
15 the account holder's homestead, if the policy covers flood,
16 windstorm, or another catastrophic event, or the equivalent of
17 such payments by an uninsured account holder. The bill further
18 defines "catastrophic event".

19 The account may be established individually, or jointly
20 with a spouse if the married couple files a joint Iowa income
21 tax return. In order to properly establish the account, the
22 bill requires the account holder to submit certain forms to
23 the department of revenue (department) designating the account
24 as a catastrophic savings account (account), and designating
25 one beneficiary of the account (designated beneficiary). These
26 designation forms must be submitted no later than April 30 of
27 the year following the tax year during which the account is
28 opened. An individual may not establish more than one account.
29 The account holder may change the designated beneficiary at any
30 time, and may designate himself or herself as the beneficiary.

31 Contributions to an account may be made in the form of
32 cash by any person. Account funds shall not be used to pay
33 expenses, if any, of administering the account, except that
34 fees and charges may be deducted from the account by the
35 financial institution where the account is held. The bill

LSB 1949HZ (1) 91

-8-

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Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 requires an account holder to submit certain reports to the
2 department, including an annual report for the account, a
3 transaction report upon a withdrawal of funds from the account,
4 and a copy of any federal internal revenue service form 1099 or
5 other similar income statement issued for the account.

6 The bill provides protection to financial institutions from
7 being required to perform, and from being responsible or liable
8 for, certain activities as described in the bill with respect
9 to accounts. The bill requires the department to create the
10 forms required to be filed by account holders, and to adopt
11 rules to implement and administer the bill.

12 The bill provides two individual income tax incentives
13 relating to the accounts. First, an account holder is allowed
14 to deduct from the individual income tax up to the aggregate
15 lifetime contribution limit amount. Second, the bill exempts
16 from the individual income tax any interest received from the
17 account holder's accounts. For account holders whose annual
18 homeowner's property and casualty insurance policy (policy)
19 premium paid during the tax year is less than \$1,000, the
20 aggregate lifetime limit shall not exceed \$2,000. For an
21 account holder whose annual policy premium during the tax year
22 is equal to or exceeds \$1,000, the aggregate lifetime limit
23 shall not exceed the lesser of \$15,000 or twice the annual
24 policy premium. For account holders who self-insure or who are
25 unable to obtain a policy, the aggregate lifetime limit shall
26 not exceed the lesser of \$350,000 or the assessed value of the
27 home. The aggregate lifetime contribution limitations of an
28 account holder may increase if an account holder's homeowner's
29 property and casualty homeowner's insurance policy premium
30 increases, but are not required to decrease.

31 The bill requires an account holder to add to net income
32 for purposes of calculating the individual income tax any
33 payment from the account that is not for qualified catastrophic
34 expenses (nonqualified withdrawal), but amounts transferred
35 between different accounts of the same account holder by

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 988

1 a person other than the account holder are not considered
2 nonqualified withdrawals. Nonqualified withdrawals required
3 to be added to net income are also subject to a penalty equal
4 to 2.5 percent of the nonqualified withdrawal, unless the
5 withdrawal was made by reason of the death of the account
6 holder, or was made pursuant to a garnishment, levy, or other
7 order, including an order in bankruptcy following a filing for
8 protection under the federal bankruptcy code. If an account
9 holder dies, the amount of money in the account shall be
10 included in the taxable income of the person who receives the
11 account, unless that person is the surviving spouse of the
12 account holder. Upon the death of the surviving spouse, the
13 amount of money in the account shall be included in the taxable
14 income of the person who receives the account. Upon the sale
15 of the homestead without the purchase of a new homestead within
16 six months of the sale, the bill also requires the amount of
17 money in the account to be included in the taxable income of
18 the account holder.

19 Finally, the bill prohibits the amount of qualified
20 catastrophic expenses that are paid or reimbursed from funds in
21 an account from being allowed as an itemized deduction for Iowa
22 individual income tax purposes.

23 The tax provisions of the bill apply to tax years beginning
24 on or after January 1, 2026.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 989 - Introduced

HOUSE FILE 989
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 323)

A BILL FOR

1 An Act relating to animal feeding operations, by providing for
2 the regulation of anaerobic digester systems, providing
3 fees, making penalties applicable, and including effective
4 date and applicability provisions.

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

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 Section 1. Section 459.102, subsection 2, Code 2025, is
2 amended by striking the subsection.

3 Sec. 2. NEW SECTION. 459.104 Purpose.

4 The purpose of this chapter, together with chapters 459A
5 and 459B, is to regulate animal agriculture, including but not
6 limited to the storage, application, and processing of organic
7 materials, including manure, originating from animal feeding
8 operations.

9 Sec. 3. Section 459.201, Code 2025, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 6. *"Anaerobic digester system"* means the
12 same as defined in section 459.701.

13 Sec. 4. NEW SECTION. 459.701 Definitions.

14 For purposes of this subchapter, unless the context
15 otherwise requires:

16 1. a. (1) *"Anaerobic digester system"* means a digester
17 processing structure to effectuate the digestion process.

18 (2) *"Anaerobic digester system"* may also include any of the
19 following:

20 (a) A dry digester feedstock stockpile.

21 (b) A digester feedstock storage structure.

22 (c) A dry digestate stockpile.

23 (d) A liquid digestate storage structure.

24 b. *"Anaerobic digester system"* includes other related
25 structures, pipes, and equipment used in the digestion process.

26 2. *"Digestate"* means the dry or liquid nutrient-rich
27 material that remains after the digestion process is
28 effectuated.

29 3. a. *"Digester feedstock"* means organic material, other
30 than manure, derived from an on-farm source or nonfarm source
31 that is used to effectuate the digestion process as part of an
32 anaerobic digester system.

33 b. *"Digester feedstock"* includes the following:

34 (1) Dry digester feedstock.

35 (2) Liquid digester feedstock.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

- 1 4. *"Digester feedstock storage structure"* means a structure
2 used to store digester feedstock before undergoing a digestion
3 process as effectuated by an anaerobic digester system.
- 4 5. *"Digester processing structure"* means a structure that
5 effectuates the digestion process.
- 6 6. *"Digester stockpile"* means any of the following:
7 a. A dry digester feedstock stockpile.
8 b. A dry digestate stockpile.
- 9 7. *"Digester structure"* means any of the following:
10 a. A digester feedstock storage structure.
11 b. A digester processing structure.
12 c. A liquid digestate storage structure.
- 13 8. *"Digestion process"* means primarily processing manure,
14 and may include processing digester feedstock, by employing
15 environmental conditions including bacteria to break down its
16 organic matter in the absence of oxygen, if used for producing,
17 collecting, and utilizing a biogas and digestate.
- 18 9. *"Dry digestate"* means digestate that meets the dry
19 classification requirements in section 459.707.
- 20 10. *"Dry digestate stockpile"* means dry digestate stored
21 outside a digester structure.
- 22 11. *"Dry digester feedstock"* means a digester feedstock that
23 meets the dry classification requirements in section 459.707.
- 24 12. *"Dry digester feedstock stockpile"* means dry digester
25 feedstock stored outside a digester structure.
- 26 13. *"Liquid digestate"* means digestate other than dry
27 digestate.
- 28 14. *"Liquid digestate storage structure"* means a structure
29 used to store liquid digestate.
- 30 15. *"Liquid digester feedstock"* means digester feedstock
31 other than dry digester feedstock.
- 32 16. *"Nonfarm"* means real property that is not on-farm.
- 33 17. *"On-farm"* means real property used to produce raw
34 agricultural commodities, including agricultural animals; crops
35 such as corn, grain sorghum, oats, soybeans, or wheat; hay or

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 straw; milk; or wool.

2 Sec. 5. NEW SECTION. **459.702 Scope.**

3 1. This subchapter is limited to the regulation of on-farm
4 construction, including expansion, of structures, the on-farm
5 use of stockpiles, and the on-farm application of digestates.

6 2. If there is a conflict between the provisions of this
7 subchapter and another subchapter, the provisions of this
8 subchapter shall prevail.

9 3. Rules adopted to implement this subchapter are not
10 subject to section 17A.7, subsection 2 or 3.

11 Sec. 6. NEW SECTION. **459.703 Administration — departmental**
12 **authority.**

13 1. The department shall establish by rule adopted pursuant
14 to chapter 17A requirements relating to the construction,
15 including expansion, or operation of on-farm anaerobic digester
16 systems, including on-farm digester structures, on-farm
17 digester stockpiles, and the on-farm application of digestates
18 produced from on-farm anaerobic digester systems.

19 2. The department shall adopt and promulgate forms required
20 to be completed in order to comply with this subchapter
21 including forms for documents that the department shall make
22 available on the internet.

23 3. The department may provide separate application forms
24 for constructing each type of digester structure regulated
25 under this subchapter, including a digester feedstock storage
26 structure, a digester processing structure, and a liquid
27 digestate storage structure. For administrative efficiency,
28 the department shall provide a single application form that
29 combines the three applications together. An application fee
30 shall be based on the number of digester structures to be
31 constructed or expanded as stated in an application.

32 Sec. 7. NEW SECTION. **459.704 Minimum requirements for**
33 **manure control — water quality.**

34 The delivery of manure by an animal feeding operation for
35 processing by an anaerobic digester system in a manner that

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 complies with this subchapter constitutes manure disposal
2 satisfying the requirements of section 459.311.

3 Sec. 8. NEW SECTION. 459.705 **Special terms — anaerobic**
4 **digester systems.**

5 1. a. An anaerobic digester system must be identified with
6 an animal feeding operation.

7 b. An anaerobic digester system receiving manure from an
8 animal feeding operation is identified with the animal feeding
9 operation if the anaerobic digester system and the animal
10 feeding operation are either of the following:

11 (1) Under common ownership or management.

12 (2) Adjacent.

13 c. An anaerobic digester system and an animal feeding
14 operation shall be subject to an enforcement action arising
15 from the facts of a violation only if the anaerobic digester
16 system is identified with the animal feeding operation pursuant
17 to both subparagraphs (1) and (2) of paragraph "b".

18 2. An anaerobic digester system and an animal feeding
19 operation structure are deemed adjacent if the closest
20 digester structure is separated from the closest animal feeding
21 operation structure by less than one thousand two hundred fifty
22 feet.

23 3. a. An anaerobic digester system and an animal feeding
24 operation are under common ownership if a person holds an
25 interest in the anaerobic digester system and the animal
26 feeding operation as any of the following:

27 (1) A sole proprietor.

28 (2) A joint tenant or tenant in common.

29 (3) A holder of a majority equity interest in a business
30 association as defined in section 202B.102, including but not
31 limited to a shareholder, partner, member, or beneficiary.

32 b. An interest in the anaerobic digester system and animal
33 feeding operation which is held directly or indirectly by the
34 person's spouse or dependent child shall be attributed to the
35 person.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 4. a. An anaerobic digester system and animal feeding
2 operation are under common management if a person has
3 significant control of the management of the day-to-day
4 operations of the community anaerobic digester system and
5 animal feeding operation.

6 b. Common management does not include control over a
7 contract livestock facility by a contractor, as those terms are
8 defined in section 202.1.

9 Sec. 9. NEW SECTION. 459.706 Special terms — digester
10 structures.

11 1. A digester structure that is used as a manure storage
12 structure and that is not subject to a digestion process shall
13 be conclusively presumed to be a manure storage structure.

14 2. Any digester structure must be covered. Notwithstanding
15 section 459.102, subsection 19, a cover must include organic or
16 inorganic material placed upon a digester structure as provided
17 by rules adopted by the department.

18 3. A digester structure is constructed when any of the
19 following occur:

20 a. Excavation is conducted for a proposed digester structure
21 or proposed expansion of an existing digester structure,
22 including excavation for the footings of the digester
23 structure.

24 b. Forms for concrete are installed for a proposed digester
25 structure or the proposed expansion of an existing digester
26 structure.

27 c. Piping for the movement of manure is installed between
28 an animal feeding operation structure and a digester structure
29 proposed to be constructed or expanded.

30 4. a. This subchapter does not apply to a confinement
31 feeding operation structure regardless of whether manure
32 originating from the confinement feeding operation structure is
33 received by a digester processing structure.

34 b. This subchapter does not apply to an open feedlot
35 operation structure regulated under chapter 459A regardless of

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 whether effluent originating from the open feedlot operation
2 structure is received by a digester processing structure.

3 c. Placing a cover over a manure storage structure does not
4 constitute construction or expansion of a digester structure.

5 Sec. 10. NEW SECTION. 459.707 Special terms — manure and
6 digestates.

7 For purposes of this subchapter, all of the following apply:

8 1. The term "manure" includes "effluent" as defined in
9 section 459A.102.

10 2. Digester feedstock or digestate is classified as dry only
11 if all of the following apply:

12 a. The digester feedstock or digestate does not flow
13 perceptibly under pressure.

14 b. The digester feedstock or digestate is not capable of
15 being transported through a mechanical pumping device designed
16 to move a liquid.

17 c. The constituent molecules of the digester feedstock or
18 digestate do not flow freely among themselves but may show a
19 tendency to separate under stress.

20 3. A digester processing structure is limited to processing
21 manure as its primary source. The digester processing
22 structure may also process any of the following:

23 a. A quantity of digester feedstock as its secondary source.

24 b. An ancillary quantity of an inorganic material, including
25 a catalyst, used to best effectuate the digestion process.

26 The department shall adopt rules listing allowable materials
27 by name and, if necessary, the maximum allowed quantity.

28 The department may also approve the allowable materials and
29 quantity upon request of the owner or manager of the anaerobic
30 digester system. The allowed inorganic material allowed over
31 time must be nonhazardous to the public and environment.

32 4. a. Except as provided in paragraph "b", a digestate
33 shall not be regulated as manure.

34 b. If a digestate is removed from a digester processing
35 structure and at any time is combined with manure, the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 digestate shall be regulated as manure under this chapter,
2 chapter 459A, and chapter 459B, as applicable.

3 Sec. 11. NEW SECTION. 459.711 **Digester structures —**
4 **construction permits.**

5 1. a. Except as provided in paragraph “b”, a construction
6 permit must be issued prior to the construction of a digester
7 structure, including a digester feedstock storage structure, a
8 digester processing structure, and a liquid digestate storage
9 structure, as provided by rules adopted by the department
10 pursuant to this subchapter.

11 b. A person is not required to be issued a permit to
12 construct a digester structure if the anaerobic digester system
13 is owned by a research college as defined in section 459.318
14 conducting research activities.

15 2. The department’s decision to approve a permit for
16 the construction of a digester structure shall be based on
17 whether the application is submitted according to procedures
18 required by the department and the application meets standards
19 established by this subchapter and rules adopted by the
20 department.

21 3. Construction of a digester structure shall not begin
22 until the department first approves the application and issues
23 a construction permit.

24 4. The applicant for a construction permit must be the owner
25 of the anaerobic digester system and the person responsible
26 for the construction and operation of the anaerobic digester
27 system.

28 5. The department shall approve an application for a
29 construction permit regardless of whether the applicant is
30 required to be issued a construction permit.

31 6. Prior to submitting an application for a construction
32 permit, the applicant may submit a conceptual design and site
33 investigation report to the department for review and comment.

34 7. An application for a construction permit must include all
35 of the following information:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 *a.* The name and contact information of the owner and manager
2 of the anaerobic digester system identified with an animal
3 feeding operation under section 459.705 and the owner and
4 manager of the identified animal feeding operation.

5 *b.* Whether the digester structure is formed or unformed.

6 *c.* Information including but not limited to maps, drawings,
7 and aerial photos that clearly show the location of all of the
8 following:

9 (1) The location of the proposed or existing anaerobic
10 digester system, and any other proposed or existing digester
11 structures or digester stockpiles.

12 (2) The location of any proposed or existing animal feeding
13 operation structure that is part of the identified animal
14 feeding operation.

15 (3) A public water supply system as defined in section
16 455B.171 or a drinking water well which is located within a
17 distance from the proposed digester structure as prescribed by
18 rules adopted by the department.

19 *d.* An engineering report, construction plans, and
20 specifications prepared by a professional engineer or the
21 natural resources conservation service of the United States
22 department of agriculture. The professional engineer must
23 certify that the construction of the digester structure
24 complies with the construction design standards required in
25 this subchapter.

26 8. The department must approve or disapprove an application
27 for a construction permit within sixty days following the
28 applicant's delivery of the application to the department.
29 However, the applicant may deliver a notice requesting a
30 continuance. Upon receipt of a notice, the time required for
31 the department to act upon the application shall be suspended
32 for the period provided in the notice of continuance, but for
33 not more than thirty days after the department's receipt of
34 the notice. The applicant may submit more than one notice.
35 However, the department may provide that an application is

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 terminated if no action is required by the department for one
2 year following delivery of the application to the department.
3 The department may also provide for a continuance when it
4 considers the application. The department shall provide notice
5 to the applicant of the continuance. The time required for
6 the department to act upon the application shall be suspended
7 for the period provided in the notice of continuance, but for
8 not more than thirty days. However, the department shall not
9 provide for more than one continuance.

10 Sec. 12. NEW SECTION. **459.712 Digester feedstock storage**
11 **structure — required storage.**

12 A person processing digester feedstock as part of an
13 anaerobic digester system must store the digester feedstock as
14 follows:

15 1. Nonfarm digester feedstock must be stored in a liquid
16 digestate storage structure.

17 2. *a.* On-farm digester feedstock that is liquid must be
18 stored in a liquid digestate storage structure.

19 *b.* On-farm digester feedstock that is dry must be stored in
20 any of the following:

21 (1) A liquid digestate storage structure.

22 (2) A dry digestate feedstock stockpile.

23 3. A person may store digester feedstock in a permitted
24 covered manure storage structure according to rules adopted by
25 the department.

26 Sec. 13. NEW SECTION. **459.713 Digester feedstock storage**
27 **structure — construction permit.**

28 1. In addition to the applicable requirements in section
29 459.711, an application for a permit to construct a digester
30 feedstock storage structure must include all of the following
31 information:

32 *a.* A description of the type and amount of digester
33 feedstock to be stored in the digester feedstock storage
34 structure.

35 *b.* The storage capacity of the digester feedstock storage

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 structure.

2 *c.* A description of the digester processing structure used
3 to process the received manure and digester feedstock.

4 *d.* Any other information determined relevant by the
5 department as provided by rules adopted by the department.

6 2. The applicant must submit a construction permit
7 application fee as part of the application. The fee shall not
8 exceed two hundred fifty dollars. Moneys collected by the
9 department from the payment of fees under this section shall be
10 deposited in the general fund of the state.

11 Sec. 14. NEW SECTION. **459.714 Digester processing structure**
12 **— construction permit.**

13 1. In addition to the applicable requirements in section
14 459.711, an application for a permit to construct a digester
15 processing structure must include all of the following:

16 *a.* A description of the type and amount of digester
17 feedstock that is capable of being processed in the digester
18 processing structure at any one time.

19 *b.* The processing capacity of the digester processing
20 structure.

21 *c.* Unless an anaerobic digester system and animal feeding
22 operation are under common ownership or management as described
23 in section 459.705, a description of the responsibilities of
24 each of the following:

25 (1) For an anaerobic digester system, the terms of an
26 agreement to receive manure from the animal feeding operation
27 with which the anaerobic digester system is identified under
28 section 459.705.

29 (2) For an animal feeding operation with which the anaerobic
30 digester system is identified under section 459.705, the terms
31 of an agreement to deliver manure to the anaerobic digester
32 system.

33 *d.* (1) If digestate is to be applied to land subject to
34 a manure management plan, a copy of the plan and digestate
35 management supplement as required in section 459.733.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 (2) If digestate is to be applied to land subject to a
2 nutrient management plan, a copy of the plan and digestate
3 management supplement as required in section 459.733.

4 e. Any other information determined relevant by the
5 department as provided by rules adopted by the department.

6 2. The application must include a plan for maintaining
7 records regarding all of the following as provided by rules
8 adopted by the department:

9 a. (1) The manure, digester feedstock, and inorganic
10 materials subject to processing.

11 (2) The digestate and biogas processed.

12 b. Procedures for the departmental inspection of the
13 records.

14 3. The applicant must submit a construction permit
15 application fee as part of the application. The fee shall not
16 exceed two hundred fifty dollars. Moneys collected by the
17 department from the payment of fees under this section shall be
18 deposited in the general fund of the state.

19 Sec. 15. NEW SECTION. 459.715 Digestate — required
20 storage.

21 A person processing manure or digester feedstock as part of
22 an anaerobic digester system must store the produced digestate
23 as follows:

24 1. Liquid digestate must be stored in a liquid digestate
25 storage structure.

26 2. Dry digestate must be stored in any of the following:

27 a. A liquid digestate storage structure.

28 b. A dry digestate feedstock stockpile.

29 Sec. 16. NEW SECTION. 459.716 Liquid digestate storage
30 structure — construction permit.

31 1. In addition to the applicable requirements in section
32 459.711, an application for a permit to construct a liquid
33 digestate storage structure must include all of the following
34 information:

35 a. A description of the type and amount of digestate to be

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 stored in the liquid digestate storage structure.

2 *b.* The storage capacity of the liquid digestate storage
3 structure.

4 *c.* Any other information determined relevant by the
5 department as provided by rules adopted by the department.

6 2. The applicant must submit a construction permit
7 application fee as part of the application. The fee shall not
8 exceed two hundred fifty dollars. Moneys collected by the
9 department from the payment of fees under this section shall be
10 deposited in the general fund of the state.

11 Sec. 17. NEW SECTION. **459.717 Construction design standards**
12 **— formed digester structures.**

13 1. The department shall adopt rules establishing
14 construction design standards for a formed digester structure,
15 including a formed digester feedstock storage structure, a
16 formed digester processing structure, or a formed liquid
17 digestate storage structure. The department may adopt rules
18 providing separate regulations for each type of formed digester
19 structure.

20 2. The construction design standards shall be based, to
21 every extent possible, upon uniform standards such as available
22 standards promulgated by ASTM (American society for testing and
23 materials) international.

24 3. The construction design standards for concrete must
25 provide for all of the following:

26 *a.* The concrete's minimum compressive strength calculated on
27 a pounds-per-square-inch basis.

28 *b.* The use of reinforcement, including but not limited to
29 the grade, amount, and location of steel rebar, fiberglass, or
30 similar materials set in the concrete, or the use of exterior
31 braces to support joints.

32 *c.* The depth of footings.

33 *d.* The thickness of the footings, the floor, and walls.

34 Sec. 18. NEW SECTION. **459.718 Special construction**
35 **restrictions — formed digester structures.**

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 The department shall adopt rules providing for upgraded
2 construction design standards for a formed digester structure
3 constructed on karst terrain or an area that drains into a
4 known sinkhole as is necessary to ensure that a formed digester
5 structure does not pollute groundwater sources.

6 Sec. 19. NEW SECTION. 459.719 Construction design standards
7 — unformed digester structures — inspections.

8 1. The department shall adopt rules establishing
9 construction design standards for an unformed digester
10 structure, including an unformed digester feedstock storage
11 structure, an unformed digester processing structure, or an
12 unformed liquid digestate storage structure. The department
13 may adopt rules providing separate regulations for each type
14 of digester structure.

15 2. The construction design standards for an unformed
16 digester structure, established by rules adopted by the
17 department, must account for special design characteristics
18 applicable to an unformed digester feedstock storage structure,
19 an unformed digester processing structure, or an unformed
20 liquid digestate storage structure. The construction design
21 standard must account for all of the following:

22 a. The lining of the unformed digester structure must be
23 constructed with materials deemed suitable by rules adopted by
24 the department in order to minimize seepage loss through the
25 lining's seal.

26 b. The structure must be constructed with materials deemed
27 suitable by rules adopted by the department in order to control
28 erosion on the unformed digester structure's berm, side slopes,
29 and base.

30 c. The unformed digester structure must be constructed to
31 minimize seepage into near-surface water sources.

32 d. The top of the floor of the unformed digester structure's
33 liner must be above the groundwater table as determined by
34 the department. If the groundwater table is less than two
35 feet below the top of the liner's floor, the unformed digester

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 structure shall be installed with a synthetic liner. If
2 the department allows an unformed digester structure to be
3 located at a site by permanently lowering the groundwater
4 table, the department shall confirm that the proposed system
5 meets standards necessary to ensure that the unformed digester
6 structure does not pollute groundwater sources. If the
7 department allows drain tile installed to lower a groundwater
8 table to remain where located, the department shall require
9 that a device be installed to allow monitoring of the water in
10 the drain tile line. The department shall also require the
11 installation of a device to allow shutoff of the drain tile
12 lines, if the drain tile lines do not have a surface outlet
13 accessible on the property where the digester structure is
14 located.

15 3. a. The department shall conduct a routine inspection
16 of each unformed digester structure at least once each year.
17 A routine inspection conducted pursuant to this paragraph
18 shall be limited to a visual inspection of the site where the
19 unformed digester structure is located. The department shall
20 inspect the site at a reasonable time after providing at least
21 twenty-four hours' notice to the person owning or managing the
22 anaerobic digester system. The visual inspection must include
23 but is not limited to determining whether any of the following
24 exist:

25 (1) An adequate freeboard level.

26 (2) The seepage of a liquid from the unformed digester
27 structure.

28 (3) Erosion.

29 (4) Inadequate cover.

30 (5) The presence of an opening allowing liquid to drain from
31 the unformed digester structure.

32 b. Paragraph "a" does not restrict the department from
33 conducting an inspection of an anaerobic digester system which
34 is not routine.

35 Sec. 20. NEW SECTION. 459.720 Special construction

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 **restrictions — unformed digester structures.**

2 1. *a.* Except as provided in paragraph “*b*”, a person shall
3 not construct an unformed digester structure on karst terrain.

4 *b.* A person may construct an unformed digester structure
5 on karst terrain if there is a twenty-five-foot vertical
6 separation distance between the bottom of the unformed digester
7 structure and underlying limestone, dolomite, or other soluble
8 rock.

9 2. A person shall not construct an unformed digester
10 structure in an area that drains into a known sinkhole.

11 3. A person shall not construct or expand an unformed manure
12 storage structure within an agricultural drainage well area as
13 provided in section 460.205.

14 **Sec. 21. NEW SECTION. 459.721 Duty of removal.**

15 The owner of a digester structure that is part of an
16 anaerobic digester system that discontinues use shall remove
17 all material from the digester structure within six months
18 following the date that the anaerobic digester system is
19 discontinued.

20 **Sec. 22. NEW SECTION. 459.731 Distance requirements for**
21 **digester structures — air quality.**

22 A separation distance requirement applies between a digester
23 structure that is part of the anaerobic digester system and an
24 object or location described in section 459.202 as follows:

25 1. The anaerobic digester system and its identified
26 confinement feeding operation as provided in section 459.705
27 shall be deemed to be a single confinement feeding operation,
28 and the digester structure shall be deemed to be a manure
29 storage structure that is part of the identified confinement
30 feeding operation.

31 2. The separation distance shall be determined according
32 to the date that the digester structure was constructed or
33 expanded according to the relevant table in section 459.202,
34 subsections 1 through 5, subject to section 459.202, subsection
35 6, and subject to provisions allowing the expansion of prior

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 constructed confinement feeding operations under section
2 459.203 and exceptions to separation distance requirements in
3 section 459.205.

4 Sec. 23. NEW SECTION. **459.732 Distance requirements for**
5 **digester structures — water quality.**

6 The same separation distance requirements and exceptions
7 to those separation distance requirements that apply to a
8 confinement feeding operation structure and an object or
9 location for which separation is required in section 459.310
10 apply to a digester structure and that same object or location.

11 Sec. 24. NEW SECTION. **459.733 Digestate management — water**
12 **quality.**

13 If digestate is applied on land subject to a manure
14 management plan pursuant to section 459.312 or a nutrient
15 management plan pursuant to section 459A.208, the manure
16 management plan or nutrient management plan must be attached
17 with a digestate management supplement. The digestate
18 management supplement must include all of the following:

19 1. Calculations necessary to determine the land area
20 required for the application of the digestate and manure from a
21 confinement feeding operation or effluent from an open feedlot
22 operation.

23 2. The nutrient concentrations of the digestate.

24 Sec. 25. NEW SECTION. **459.734 Stockpiling dry digester**
25 **feedstock or dry digestate — air quality.**

26 1. A person may stockpile dry digester feedstocks or dry
27 digestate subject to this section.

28 2. *a.* Except as provided in paragraph “*b*”, the person shall
29 not stockpile dry digester feedstock or dry digestate within
30 one thousand two hundred fifty feet from a residence not owned
31 by the titleholder of the land, a commercial enterprise, a bona
32 fide religious institution, an educational institution, or a
33 public use area.

34 *b.* The person may stockpile dry digester feedstock or
35 dry digestate within a separation distance required between

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 the stockpiled dry digestate and an object or location for
2 which separation is required under paragraph `a`, if the
3 titleholder of the land benefiting from the separation distance
4 requirement executes a written waiver with the titleholder of
5 the land where the dry digester feedstock or dry digestate is
6 stockpiled.

7 Sec. 26. NEW SECTION. 459.735 Stockpiling dry digestate
8 — water quality.

9 A person may stockpile dry digestate subject to this
10 section.

11 1. The person stockpiling dry digestate shall comply with
12 applicable requirements of the national pollutant discharge
13 elimination system pursuant to the federal Water Pollution
14 Control Act, 33 U.S.C. ch. 26, as amended, and 40 C.F.R. pts.
15 122 and 412.

16 2. a. The person shall not stockpile the dry digestate
17 within the following distances to a designated area unless the
18 dry digestate is maintained in a manner that will not allow
19 precipitation-induced runoff to drain from the dry digestate
20 to the designated area:

21 (1) Four hundred feet from a designated area other than a
22 high-quality water resource.

23 (2) Eight hundred feet from a high-quality water resource.

24 b. The person shall not stockpile dry digestate within two
25 hundred feet from a terrace tile inlet or surface tile inlet
26 unless the dry digestate is maintained in a manner that will
27 not allow precipitation-induced runoff to drain from the dry
28 digestate to the terrace tile inlet or surface tile inlet.

29 c. The person shall not stockpile dry digestate in a grassed
30 waterway, where water pools on the soil surface, or in any
31 location where surface water will enter the stockpiled dry
32 digestate.

33 d. The person shall not stockpile dry digestate on land
34 having a slope of more than three percent unless methods,
35 structures, or practices are implemented to contain the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 stockpiled dry digestate, including but not limited to
2 using hay bales, silt fences, temporary earthen berms,
3 or other effective measures, and to prevent or diminish
4 precipitation-induced runoff from the stockpiled dry digestate.

5 3. A person shall remove stockpiled dry digestate and apply
6 it in the same manner as manure under subchapter III, including
7 but not limited to section 459.311, within six months after the
8 dry digestate is stockpiled.

9 Sec. 27. NEW SECTION. 459.736 Stockpiling dry digestate —
10 special requirements — water quality.

11 A person may stockpile dry digestate on karst terrain or in
12 an alluvial aquifer in compliance with the following:

13 1. The person must stockpile the dry digestate at a location
14 where there is a vertical separation distance of at least five
15 feet between the bottom of the stockpiled dry digestate and
16 the underlying limestone, dolomite, or other soluble rock in
17 karst terrain or the underlying sand and gravel aquifer in an
18 alluvial aquifer area.

19 2. The dry digestate must be stockpiled on reinforced
20 concrete at least five inches thick.

21 Sec. 28. NEW SECTION. 459.737 Applying dry digestate on
22 snow-covered or frozen ground — water quality.

23 A person may apply digestate on snow-covered or frozen
24 ground, except to the extent otherwise provided by applicable
25 requirements for manure in this chapter, including section
26 459.313A, or the national pollutant discharge elimination
27 system pursuant to the federal Water Pollution Control Act, 33
28 U.S.C. ch. 26, as amended, and 40 C.F.R. pts. 122 and 412.

29 Sec. 29. NEW SECTION. 459.811 Anaerobic digester systems
30 — violations.

31 A person who violates section 459.731 or 459.734 shall be
32 subject to the same penalty as provided in section 459.602, and
33 a person who violates any other provision of subchapter VII
34 shall be subject to the same penalty as provided in section
35 459.603. Any civil penalty and interest on a civil penalty

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 collected under this section shall be credited to the Iowa
2 nutrient research fund created in section 466B.46.

3 Sec. 30. NEW SECTION. **459A.209 Digestate application**
4 **supplement to nutrient management plan.**

5 If digestate is applied on land subject to a nutrient
6 management plan pursuant to section 459A.208, the nutrient
7 management plan must be attached with a digestate management
8 supplement as provided in section 459.733.

9 Sec. 31. CODE EDITOR DIRECTIVES.

10 1. The Code editor is directed to create new parts in new
11 subchapter VII of chapter 459 as follows:

12 a. Part 1 shall include sections 459.701 through 459.710.

13 b. Part 2 shall include sections 459.711 through 459.730.

14 c. Part 3 shall include sections 459.731 through 459.737.

15 2. The Code editor is directed to make the following
16 transfers to new subchapter VIII of chapter 459:

17 a. Section 459.601 to section 459.801.

18 b. Section 459.602 to section 459.802.

19 c. Section 459.603 to section 459.803.

20 d. Section 459.604 to section 459.804.

21 e. Section 459.605 to section 459.805.

22 3. The Code editor is directed to correct internal
23 references in the Code and in any enacted legislation as
24 necessary due to enactment of this section.

25 Sec. 32. EFFECTIVE DATE. This Act, being deemed of
26 immediate importance, takes effect upon enactment.

27 Sec. 33. CONTINUED APPLICABILITY OF REGULATORY PRACTICE.

28 1. Notwithstanding the provisions of this Act, on and
29 after the effective date of this Act the department of
30 natural resources shall regulate activities related to the
31 construction, expansion, and operation of anaerobic digester
32 systems, including the storage and use of materials including
33 manure and digester feedstock in the digestion process, the
34 processing of digestates, and the storage and application of
35 digestates, in substantially the same manner as the department

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 regulated those activities on March 1, 2025.

2 2. This section is repealed on the publication date of
3 the edition of the Iowa administrative bulletin that includes
4 a statement by the director of the department of natural
5 resources that all rules required to effectively administer
6 and enforce the provisions of this Act have been adopted. The
7 department shall forward a copy of the statement to the Iowa
8 Code editor prior to its publication in the Iowa administrative
9 bulletin.

10

EXPLANATION

11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 GENERAL. This bill provides for the regulation of animal
14 feeding operations by the department of natural resources
15 (DNR), including the storage and application of manure
16 originating from such operations (Code chapter 459). An animal
17 feeding operation is an area or building in which agricultural
18 animals (cattle, swine, horses, sheep, chickens, turkeys, or
19 fish) are confined for 45 days or more in any 12-month period,
20 and all associated structures used for the storage of manure.
21 A confinement feeding operation is an animal feeding operation
22 in which animals are confined to areas which are totally
23 roofed. Another form of animal feeding operation is an open
24 feedlot operation which confines animals without a roof or a
25 partial roof regulated by DNR (Code chapter 459A) and a dry
26 bedded confinement feeding operation which confines animals in
27 so-called hooped buildings (Code chapter 459B).

28 BACKGROUND — REGULATORY REQUIREMENTS. Regulatory
29 requirements that apply to an animal feeding operation include
30 a number of requirements governing associated structures
31 including a confinement building housing agricultural animals,
32 and various types of structures storing manure which may be
33 made of material like concrete (formed) or that are primarily
34 earthen (unformed) and which may or may not be covered.
35 The regulations apply to manure in both a solid and liquid

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Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 state. The regulations also apply to certain manure storage
2 structures, including a storage structure that is anaerobic,
3 meaning liquid manure is stored in a manner that utilizes
4 bacteria to break down organic matter in the absence of oxygen.
5 This process creates a biogas which is a type of renewable
6 fuel as well as a digestate which is a source of nutrients for
7 application on cropland. Code chapter 459 includes a number
8 of subchapters, including those that regulate air quality
9 and water quality. In both cases, the regulations require
10 separation distance requirements between an animal feeding
11 operation structure, including a manure storage structure, and
12 certain objects and locations. For purposes of air quality
13 regulations, these objects or locations include a residence,
14 commercial enterprise, a bona fide religious institution, an
15 educational institution, a public use area, or a public road.
16 Air quality regulations impose greater separation distance
17 requirements based on the date of initial construction and size
18 of the confinement feeding operation. Air quality regulations
19 also impose separation distance requirements between those
20 locations where manure is applied or stockpiled and those
21 same objects or locations. Water quality regulations include
22 requirements for the issuance of construction permits, and
23 construction design standards for manure storage structures.
24 Water quality requirements also impose separation distances
25 between animal feeding operation structures or dry manure
26 stockpiles and certain water sources. A person applying manure
27 originating from an animal feeding operation must file a plan
28 with DNR that demonstrates how manure is to be applied in a
29 manner that preserves water quality. For confinement feeding
30 operations, the plan is referred to as a manure management
31 plan (MMP) and for open feedlots the plan is referred to as a
32 nutrient management plan (NMP).

33 BACKGROUND — CIVIL PENALTIES. A person who violates an air
34 quality regulation or water quality regulation is subject to a
35 civil penalty based on a schedule established by DNR rule. The

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 civil penalty cannot exceed \$10,000 per violation. The civil
2 penalty for a water quality violation may also be subject to
3 a judicial civil penalty not to exceed \$5,000 for each day of
4 such violation.

5 BILL'S PROVISIONS — GENERAL. The bill provides for the
6 regulation of an anaerobic digester system which must include a
7 digester processing structure that primarily processes manure
8 but may also process other organic feedstocks, referred to as
9 digester feedstock. The structure is used to produce a biogas
10 which is a source of renewable fuel and a digestate which is a
11 nutrient-rich material that may be applied to cropland in a dry
12 or liquid state.

13 BILL'S PROVISIONS — ANAEROBIC DIGESTER SYSTEM. An
14 anaerobic digester system is comprised of three steps. The
15 first step involves the storing of organic material (manure
16 and other organic feedstock) in a dry or liquid state awaiting
17 digestion. Manure is stored in a manure storage structure
18 unless it is dry and temporarily stored as a stockpile. Liquid
19 digester feedstock is stored in a digester feedstock storage
20 structure. All nonfarm digester feedstock must be stored in a
21 digester feedstock storage structure. The second step involves
22 digesting the organic material in a structure designed for
23 that purpose. The third step involves storing and applying
24 the processed organic material referred to as digestate. Dry
25 digestate may be stockpiled and liquid digestate must be
26 contained in a liquid digestate storage structure. The scope
27 of the bill is limited to the on-farm construction, including
28 expansion, of these structures, the on-farm use of stockpiles,
29 and the on-farm application of digestates.

30 BILL'S PROVISIONS — TERMINOLOGY. The bill provides that
31 an anaerobic digester system must be identified with an animal
32 feeding operation. Identification occurs only if the anaerobic
33 digester system and the animal feeding operation are either (1)
34 under common ownership or management or (2) adjacent. In order
35 for an enforcement action to proceed against the anaerobic

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 digester system and its identified animal feeding operation
2 for the same violation, the anaerobic digester system and
3 the identified animal feeding operation must be under common
4 ownership or management and be adjacent. Any reference in the
5 bill to a digester structure means a covered digester feedstock
6 storage structure, a covered digester processing structure, or
7 a covered liquid digestate storage structure. Any reference
8 to a digester stockpile refers to a dry digester feedstock
9 stockpile or a dry digestate stockpile. Any reference to
10 manure includes manure stored and discharged from a confinement
11 feeding operation and effluent stored and discharged from an
12 open feeding operation structure. A digester feedstock or
13 digestate is classified as dry only if digester feedstock or
14 digestate does not flow perceptibly under pressure, is not
15 capable of being transported through a mechanical pumping
16 device designed to move a liquid, and consists of molecules
17 that do not flow freely among themselves. A digester
18 processing structure must process manure as its primary source.
19 A digestate is not to be regulated as manure, unless it is
20 combined with manure.

21 BILL'S PROVISIONS — CONSTRUCTION OF STRUCTURES. The
22 bill provides that a construction permit must be issued by
23 DNR prior to the construction of a digester structure. The
24 requirements are based on construction permit requirements
25 for manure storage structures. The application must include
26 an engineering report, construction plans, and specifications
27 prepared by a professional engineer or the natural resources
28 conservation service of the United States department of
29 agriculture. An application for a digester feedstock storage
30 structure must include information regarding its capacity
31 and the digester feedstock to be stored. An application for
32 the digester processing structure must include information
33 regarding the ownership or management of its identified animal
34 feeding operation, and the legal relationship between the
35 two entities. It must also include information regarding

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 how digestate is to be applied, and how records are to be
2 maintained for DNR inspection. The bill also provides for
3 construction design standards for a formed or unformed digester
4 structure. The construction design standards must be based
5 on uniform standards such as available standards promulgated
6 by ASTM (American society for testing and materials)
7 international. The design standards for unformed digester
8 feedstock storage structures must account for the use of
9 linings and erosion controls.

10 BILL'S PROVISIONS — AIR QUALITY — SEPARATION DISTANCE
11 REQUIREMENTS. The bill provides separation distance
12 requirements as part of air quality and water quality
13 standards. For air quality standards, the separation distance
14 requirements assume the anaerobic digester system and the
15 identified confinement feeding operation are part of a single
16 confinement feeding operation. The separation distance is
17 determined according to the date that the digester structure
18 was constructed or expanded subject to provisions allowing the
19 expansion of prior constructed confinement feeding operations
20 and exceptions to those separation distance requirements.

21 BILL'S PROVISIONS — WATER QUALITY — MANURE MANAGEMENT.
22 The bill provides that if digestate is applied on land subject
23 to an MMP or NMP, such plan must be attached with a second
24 document referred to as a digestate management supplement.
25 The digestate management supplement must include information
26 necessary to determine the land area required for the
27 application of the digestate and the nutrient concentrations
28 of the digestate.

29 BILL'S PROVISIONS — WATER QUALITY — SEPARATION DISTANCE
30 REQUIREMENTS. The bill provides that the separation distance
31 requirements and exceptions to those separation distance
32 requirements that apply to a confinement feeding operation
33 structure and an object or location also apply to a digester
34 structure and that same object or location. The bill allows a
35 person to stockpile dry digester feedstocks or dry digestate

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 989

1 in the same manner as manure, subject to the same separation
2 distance requirements as manure. The bill requires that a
3 person must remove stockpiled dry digestate and apply it in the
4 same manner as manure.

5 BILL'S PROVISIONS — WATER QUALITY — SPECIAL REQUIREMENTS.

6 The bill includes special requirements for stockpiling dry
7 digestate on certain karst terrain that are the same as
8 requirements for stockpiling dry manure. The bill also
9 provides for applying dry digestate on snow-covered or frozen
10 ground in compliance with state and federal water quality
11 standards.

12 BILL'S PROVISIONS — CIVIL PENALTIES. The bill's provisions
13 that require separation distances between a digester structure
14 or a digester stockpile and a residence, commercial enterprise,
15 bona fide religious institution, or educational institution
16 are subject to a civil penalty for a violation of air quality
17 regulations. All other provisions of the bill are subject to a
18 civil penalty for a violation of water quality regulations.

19 BILL'S PROVISIONS — EFFECTIVE DATE. The bill takes effect
20 upon enactment.

21 BILL'S PROVISIONS — APPLICABILITY OF REGULATORY PRACTICE.

22 The bill requires DNR to regulate activities related to the
23 construction, expansion, and operation of anaerobic digester
24 systems in substantially the same manner DNR regulated
25 those activities on March 1, 2025, until the director of DNR
26 publishes a statement in the Iowa administrative bulletin
27 stating that all rules required to effectively administer and
28 enforce the provisions of the bill have been adopted.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 990 - Introduced

HOUSE FILE 990
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 224)

A BILL FOR

1 An Act relating to the licensure of medical cannabidiol
2 dispensaries.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 990

1 Section 1. Section 124E.8, subsection 1, paragraph a, Code
2 2025, is amended to read as follows:

3 a. The department shall ~~issue a request for proposals accept~~
4 applications to select and license ~~by April 1, 2018, up to~~
5 five ten medical cannabidiol dispensaries to dispense medical
6 cannabidiol within this state consistent with the provisions
7 of this chapter. The department shall license new medical
8 cannabidiol dispensaries or relicense the existing medical
9 cannabidiol dispensaries by December 1 of each year.

10 Sec. 2. Section 124E.8, subsection 2, Code 2025, is amended
11 by striking the subsection.

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 relates to the licensure of medical cannabidiol
16 dispensaries. The bill increases the maximum number of medical
17 cannabidiol dispensary licenses in the state from 5 to 10.

18 The bill strikes a provision in current law requiring a
19 medical cannabidiol dispensary to agree to begin supplying
20 medical cannabidiol by December 1, 2018.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 991 - Introduced

HOUSE FILE 991
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 316)

A BILL FOR

1 An Act placing assessment limitations for property tax
2 purposes on commercial child care facilities, and including
3 effective date, applicability, and retroactive applicability
4 provisions.

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

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 991

1 Section 1. Section 441.21, subsection 5, paragraph b,
2 subparagraph (2), unnumbered paragraph 1, Code 2025, is amended
3 to read as follows:

4 ~~For~~ Except as prescribed for property subject to
5 subparagraph (3), for valuations established for the assessment
6 year beginning January 1, 2022, and each assessment year
7 thereafter, the portion of actual value at which each property
8 unit of commercial property shall be assessed shall be the sum
9 of the following:

10 Sec. 2. Section 441.21, subsection 5, paragraph b, Code
11 2025, is amended by adding the following new subparagraph:

12 NEW SUBPARAGRAPH. (3) (a) For valuations established
13 for the assessment year beginning January 1, 2025, and each
14 assessment year thereafter, the portion of actual value at
15 which each portion of a property unit of commercial property
16 that is primarily used as a child care facility as defined
17 in section 237A.1, and for which an application has been
18 allowed under this subparagraph, shall be assessed at an amount
19 equal to the product of the assessment limitation percentage
20 applicable to residential property under subsection 4 for that
21 assessment year multiplied by the actual value of the property.

22 (b) Applications to qualify a child care facility for the
23 assessment limitation allowed under this subparagraph shall be
24 filed with the assessor not later than July 1 of the assessment
25 year for which the person is requesting the assessment
26 limitation. The application shall be on forms prescribed by
27 the department of revenue and must include all of the following
28 information:

29 (i) A description of the property, including the property's
30 location.

31 (ii) A copy of the license to operate as a child care
32 facility issued by the department of health and human services,
33 or other proof of eligibility as set forth by the department
34 of revenue by rule.

35 (iii) Any other information as required by the department

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 991

1 of revenue.

2 (c) Upon allowance of the application, the assessment
3 limitation shall be applied on the portion of the property
4 unit of commercial property that is primarily used as a child
5 care facility for successive years without further filing as
6 long as the property continues to be classified as commercial
7 property and is used for the purposes specified in the original
8 application for assessment limitation.

9 (d) No later than July 15 of each year, the assessor shall
10 remit the applications for assessment limitation to the county
11 auditor with the assessor's recommendation for allowance or
12 disallowance of the assessment limitation. If the assessor
13 recommends disallowance, the assessor shall submit the reasons
14 for the recommendation in writing to the county auditor.

15 (e) No later than July 24 of each year, the county auditor
16 shall forward the applications for assessment limitation to
17 the board of supervisors. The board shall determine the
18 eligibility for each application on or before September 1 of
19 each year.

20 (i) If the board disallows a claim, the board shall send
21 written notice by mail to the applicant at the applicant's
22 last known address. The notice shall state the reasons for
23 disallowing the application and shall state the applicant's
24 right to appeal the board's action to the district court. An
25 applicant may appeal the board's decision to the district court
26 of the county in which the property is located within thirty
27 days of the date of the notice of disallowance.

28 (ii) No later than October 1 of each year, the board of
29 supervisors shall certify all allowed assessment limitations
30 received for that year with the county auditor.

31 (f) If a property that has been granted an assessment
32 limitation ceases to be used as a child care facility, the
33 owner of the child care facility shall give written notice to
34 the assessor by the July 1 following the date the property
35 ceased to be used as a child care facility.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 991

1 (g) (i) If the board determines at any time within
2 thirty-six months of allowing an assessment limitation that the
3 assessment limitation was allowed in error, the board shall
4 notify the property owner by mail and conduct a hearing on the
5 matter.

6 (ii) If, after a hearing required by subparagraph
7 subdivision (i), the board determines the assessment limitation
8 was allowed in error and the assessment limitation should be
9 disallowed, the treasurer shall collect from the property owner
10 the amount of tax that would have been assessed on the property
11 if there had been no allowance of the assessment limitation
12 under this subparagraph (3). The amount due shall become a
13 lien on the property that received the assessment limitation
14 and shall be collected by the county treasurer in the same
15 manner as other taxes.

16 (h) The assessor shall retain a permanent file of properties
17 that have approved assessment limitations pursuant to this
18 subparagraph. If the assessor receives notice of a title
19 transfer pursuant to subparagraph division (i), then the
20 assessor shall file a notice of transfer of property.

21 (i) The county recorder shall give notice to the assessor
22 of each transfer of title filed in the recorder's office for a
23 property which has an allowed assessment limitation pursuant to
24 this subparagraph. The notice from the county recorder shall
25 describe the property transferred, the name of the person who
26 transferred title, and the name of the person to whom title is
27 transferred.

28 (j) The department of revenue shall adopt rules to implement
29 and administer this subparagraph.

30 Sec. 3. Section 441.21, subsection 5, paragraph e,
31 subparagraphs (1) and (3), Code 2025, are amended to read as
32 follows:

33 (1) For the fiscal year beginning July 1, 2023, there
34 is appropriated from the general fund of the state to the
35 department of revenue the sum of one hundred twenty-two million

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 991

1 three hundred fifty thousand dollars to be used for payments
2 under this paragraph calculated as a result of the assessment
3 limitations imposed under paragraph "b", subparagraph (2),
4 subparagraph division (a), and paragraph "c", subparagraph (2),
5 subparagraph division (a). For each fiscal year beginning on
6 or after July 1, 2024, there is appropriated from the general
7 fund of the state to the department of revenue the sum of one
8 hundred twenty-five million dollars to be used for payments
9 under this paragraph calculated as a result of the assessment
10 limitations imposed under paragraph "b", subparagraph (2),
11 subparagraph division (a), ~~and~~ paragraph "c", subparagraph (2),
12 subparagraph division (a), and paragraph "b", subparagraph (3),
13 for the portion of the actual value of the property unit equal
14 to or less than one hundred fifty thousand dollars.

15 (3) On or before July 1 of each fiscal year, the assessor
16 shall report to the county auditor that portion of the total
17 actual value of all commercial property and industrial property
18 in the county that is subject to the assessment limitations
19 imposed under paragraph "b", subparagraph (2), subparagraph
20 division (a), ~~and~~ paragraph "c", subparagraph (2), subparagraph
21 division (a), and paragraph "b", subparagraph (3), for the
22 portion of the actual value of the property unit equal to
23 or less than one hundred fifty thousand dollars, for the
24 assessment year used to calculate the taxes due and payable in
25 that fiscal year.

26 Sec. 4. Section 441.21, subsection 5, paragraph e,
27 subparagraph (4), subparagraph division (a), Code 2025, is
28 amended to read as follows:

29 (a) The product of the portion of the total actual value
30 of all commercial property, industrial property, and property
31 valued by the department under [chapter 434](#) in the county
32 that is subject to the assessment limitations imposed under
33 paragraph "b", subparagraph (2), subparagraph division (a);
34 ~~and~~ paragraph "c", subparagraph (2), subparagraph division (a);
35 and paragraph "b", subparagraph (3), for the portion of the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 991

1 actual value of the property unit equal to or less than one
2 hundred fifty thousand dollars, for the applicable assessment
3 year used to calculate taxes which are due and payable in the
4 applicable fiscal year multiplied by the difference, stated
5 as a percentage, between ninety percent and the assessment
6 limitation percentage applicable to residential property under
7 subsection 4 for the applicable assessment year.

8 Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate
9 importance, takes effect upon enactment.

10 Sec. 6. APPLICABILITY. The following apply to fiscal years
11 beginning on or after July 1, 2026, for payments pursuant to
12 section 441.21, subsection 5, paragraph "e":

13 1. The section of this Act amending section 441.21,
14 subsection 5, paragraph "e", subparagraphs (1) and (3).

15 2. The section of this Act amending section 441.21,
16 subsection 5, paragraph "e", subparagraph (4), subparagraph
17 division (a).

18 Sec. 7. RETROACTIVE APPLICABILITY. The following apply
19 retroactively to assessment years beginning on or after January
20 1, 2025:

21 1. The section of this Act amending section 441.21,
22 subsection 5, paragraph "b", subparagraph (2), unnumbered
23 paragraph 1.

24 2. The section of this Act enacting section 441.21,
25 subsection 5, paragraph "b", subparagraph (3).

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
28 the explanation's substance by the members of the general assembly.

29 This bill relates to assessment limitations for property
30 taxation purposes for commercial child care facilities,
31 and includes effective date, applicability, and retroactive
32 applicability provisions.

33 Code section 441.21(5) determines the amount of actual value
34 of commercial property that is subject to property tax. The
35 amount is the sum of the residential assessment limitation

LSB 2954HV (1) 91

-5-

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5/6

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 991

1 to the portion of the property's value that does not exceed
2 \$150,000 plus 90 percent of the property's value in excess of
3 \$150,000.

4 The bill excludes property that is primarily used as a child
5 care facility from the calculation of the actual value of the
6 property. The bill instead specifies that for assessment years
7 beginning on or after January 1, 2025, the amount of actual
8 value used as child care facilities that is subject to tax is
9 equal to the product of the assessment limitation percentage
10 applicable to residential property multiplied by the actual
11 value of the property provided that the property owner has
12 applied for the assessment limitation and the county board of
13 supervisors has allowed such an assessment limitation.

14 The bill establishes application procedures, approval
15 procedures, and recordkeeping procedures for the assessment
16 limitation.

17 The bill makes conforming changes to reflect the child care
18 facility assessment limitation.

19 The bill takes effect upon enactment.

20 The bill applies retroactively to assessment years beginning
21 on or after January 1, 2025, and applies to payments to local
22 governments for fiscal years beginning on or after July 1,
23 2026.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 992 - Introduced

HOUSE FILE 992
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 695)
(SUCCESSOR TO HSB 203)

(COMPANION TO SF 611 BY
COMMITTEE ON WAYS AND MEANS)

A BILL FOR

1 An Act relating to the fee for duplicates or other evidence of
2 interstate fuel use tax permits or licenses.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 992

1 Section 1. Section 452A.53, subsection 5, Code 2025, is
2 amended to read as follows:

3 5. Each vehicle operated into or through Iowa in interstate
4 operations using motor fuel, special fuel, or electric fuel
5 acquired in any other state shall carry in or on the vehicle
6 a duplicate or evidence of the permit or license required in
7 this section. A fee not to exceed ~~fifty cents~~ one dollar shall
8 be charged for each duplicate or other evidence of a permit or
9 license issued.

10 EXPLANATION

11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 Under current law, Code section 452A.52 prohibits a motor
14 vehicle, other than a private passenger automobile, from
15 bringing into Iowa any motor fuel or special fuel (including
16 electric fuel stored in batteries) to be used in the operation
17 of the vehicle in Iowa unless that person has paid, or made
18 arrangements in advance with the department of transportation
19 (DOT) for payment of, Iowa fuel taxes on the gallonage consumed
20 while operating the vehicle in Iowa.

21 Additionally, each vehicle operated into or through Iowa
22 in interstate operations using motor fuel, special fuel, or
23 electric fuel acquired in any other state must carry in or on
24 the vehicle a duplicate or evidence of the associated permit or
25 license. This bill increases the fee for a duplicate or other
26 evidence of such a permit or license from 50 cents to \$1.

27 Persons choosing not to make advance arrangements with
28 the DOT by procuring a permit or license are not relieved of
29 their responsibility to purchase motor fuel, special fuel, and
30 electric fuel commensurate with their use of Iowa's highway
31 system. A person who violates Code section 452A.52 commits a
32 simple misdemeanor punishable by a \$260 scheduled fine.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 993 - Introduced

HOUSE FILE 993
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 761)
(SUCCESSOR TO HF 140)

(COMPANION TO SF 245 BY
SHIPLEY)

A BILL FOR

1 An Act providing for the direct shipment of alcoholic liquor,
2 providing fees, and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 993

1 Section 1. Section 123.28, subsection 5, Code 2025, is
2 amended to read as follows:

3 5. **This section** does not affect the right of a retail
4 alcohol license holder to purchase, possess, or transport
5 alcoholic liquors subject to **this chapter**. In addition, this
6 section does not impact the direct shipment of alcoholic liquor
7 as regulated by section 123.42A.

8 Sec. 2. Section 123.32, subsection 1, paragraph b, Code
9 2025, is amended by adding the following new subparagraph:

10 NEW SUBPARAGRAPH. (05) An alcoholic liquor direct shipper
11 license as provided in section 123.42A.

12 Sec. 3. Section 123.32, subsection 1, paragraph b,
13 subparagraph (10), Code 2025, is amended to read as follows:

14 (10) ~~A wine~~ An alcoholic beverage carrier permit as provided
15 in **section 123.188**.

16 Sec. 4. Section 123.39, subsection 1, paragraph a,
17 subparagraph (2), Code 2025, is amended to read as follows:

18 (2) The director may suspend a certificate of compliance, a
19 class "D" retail alcohol license, a manufacturer's license, a
20 broker's permit, an alcoholic liquor direct shipper license,
21 a class "A" native distilled spirits license, a class "A" or
22 special class "A" beer permit, a class "A" wine permit, a
23 wine direct shipper's permit, or ~~a wine~~ an alcoholic beverage
24 carrier permit for a period not to exceed one year, revoke the
25 license, permit, or certificate, or impose a civil penalty not
26 to exceed one thousand dollars per violation.

27 Sec. 5. Section 123.41, subsection 1, Code 2025, is amended
28 to read as follows:

29 1. Each completed application to obtain or renew a
30 manufacturer's license shall be submitted to the department
31 electronically, or in a manner prescribed by the director, and
32 shall be accompanied by a fee of three hundred dollars payable
33 to the department. The director may in accordance with this
34 chapter grant and issue to a manufacturer a manufacturer's
35 license, valid for a one-year period after date of issuance,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 993

1 which shall allow the manufacture, storage, and ~~wholesale~~
2 ~~disposition~~ and sale of alcoholic liquors to the department and
3 to customers outside of the state pursuant to the laws of that
4 jurisdiction.

5 Sec. 6. Section 123.41, Code 2025, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. 1A. A manufacturer of alcoholic liquor
8 may ship alcoholic liquor in closed containers to individual
9 purchasers inside this state by obtaining an alcoholic liquor
10 direct shipper license pursuant to section 123.42A.

11 Sec. 7. NEW SECTION. **123.42A Direct shipment of alcoholic**
12 **liquor — license and requirements.**

13 1. An alcoholic liquor manufacturer licensed or permitted
14 pursuant to laws regulating alcoholic beverages in this state
15 or another state may apply for an alcoholic liquor direct
16 shipper license, as provided in this section. For the purposes
17 of this section, an "*alcoholic liquor manufacturer*" means a
18 business with an operating still which distills spirits, barrel
19 matures spirits for a period of two years on the licensed
20 premises of the distillery where matured, or blends or mixes
21 spirits comprised solely of spirits distilled or barrel matured
22 for a period of two years on the licensed premises of the
23 distillery.

24 2. a. Only an alcoholic liquor manufacturer that holds an
25 alcoholic liquor direct shipper license issued pursuant to this
26 section is authorized to sell alcoholic liquor at retail for
27 direct shipment to any person within this state. This section
28 does not prohibit an authorized retail licensee or permittee
29 from delivering alcoholic liquor pursuant to section 123.46A.

30 b. An alcoholic liquor manufacturer applying for an
31 alcoholic liquor direct shipper license shall submit an
32 application for the license electronically, or in a manner
33 prescribed by the director, accompanied by a true copy of
34 the manufacturer's current alcoholic beverage license or
35 permit issued by the state where the manufacturer is primarily

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 993

1 located, a copy of the manufacturer's basic permit issued by
2 the alcohol and tobacco tax and trade bureau of the United
3 States department of the treasury, and documents filed by the
4 manufacturer with the alcohol and tobacco tax and trade bureau
5 of the United States department of the treasury that show the
6 total number of proof gallons of distilled spirits produced and
7 manufactured by the manufacturer for the preceding calendar
8 year.

9 *c.* An application submitted pursuant to paragraph "b" shall
10 be accompanied by a license fee in the amount of twenty-five
11 dollars.

12 *d.* A license issued pursuant to this section may be renewed
13 annually by submitting a renewal application with the director
14 in a manner prescribed by the director, accompanied by the
15 twenty-five dollar license fee.

16 3. The direct shipment of alcoholic liquor pursuant to this
17 section is subject to all of the following requirements and
18 restrictions:

19 *a.* Alcoholic liquor shall only be shipped to a resident of
20 this state who is at least twenty-one years of age, for the
21 resident's personal use and consumption and not for resale as
22 follows:

23 (1) An alcoholic liquor direct shipper licensee may sell
24 and ship alcoholic liquor to any person who is at least
25 twenty-one years of age for personal use and not for resale if
26 the licensee produces in, or imports into, the United States
27 one hundred fifty thousand proof gallons or fewer of distilled
28 spirits per calendar year.

29 (2) An alcoholic liquor direct shipper licensee may sell and
30 ship up to nine liters of alcoholic liquor per calendar year to
31 any person who is at least twenty-one years of age for personal
32 use and not for resale if the licensee produces in, or imports
33 into, the United States more than one hundred fifty thousand
34 proof gallons of distilled spirits per calendar year.

35 *b.* Alcoholic liquor subject to direct shipping shall be

LSB 1058HZ (2) 91

-3-

ns/ns

3/10

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 993

1 properly registered with the federal alcohol and tobacco tax
2 and trade bureau, and manufactured on the licensed premises of
3 the alcoholic liquor direct shipper licensee.

4 *c.* Alcoholic liquor subject to direct shipping shall be
5 properly registered with the department. Products which are
6 not listed for sale by the department must be registered
7 electronically with the department for direct shipping. This
8 registration must include the name of the manufacturer, the
9 name of the brand, the standard of fill, the wholesale price,
10 and other information as requested by the department. The
11 registration shall be updated as necessary to ensure the
12 department possesses an accurate, current registration.

13 *d.* All containers of alcoholic liquor shipped directly to a
14 resident of this state shall be conspicuously labeled with the
15 words "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER
16 REQUIRED FOR DELIVERY" or shall be conspicuously labeled with
17 alternative wording preapproved by the director.

18 *e.* All containers of alcoholic liquor shipped directly
19 to a resident of this state shall be shipped by a holder of
20 an alcoholic beverage carrier permit as provided in section
21 123.188.

22 *f.* Shipment of alcoholic liquor pursuant to this subsection
23 does not require a refund value for beverage container control
24 purposes under chapter 455C.

25 4. An alcoholic liquor direct shipper licensee shipping
26 alcoholic liquor to this state shall remit the following amount
27 to the department in a manner as directed by the department:

28 *a.* For alcoholic liquor that is listed for sale by the
29 department, an amount equivalent to fifty percent of the listed
30 wholesale price.

31 *b.* For alcoholic liquor that is not listed for sale by
32 the department, an amount equivalent to fifty percent of
33 the wholesale price as registered with the department under
34 subsection 3.

35 5. Each alcoholic liquor direct shipper licensee shall make

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 993

1 a report under oath to the department electronically, or in a
2 manner prescribed by the director, on or before the tenth day
3 of each month, which includes all of the following information:

4 a. The products and quantities shipped directly to residents
5 of this state in the preceding month.

6 b. The name and address of the individuals to whom the
7 alcoholic liquor was sold in each sale.

8 c. The wholesale price of the alcoholic liquor sold.

9 d. The purchase price of the alcoholic liquor sold and
10 the amount of taxes charged to the individual purchasing the
11 alcoholic liquor.

12 e. The alcoholic beverage carrier permittee who delivered
13 the shipment.

14 f. All documents filed by the alcoholic liquor direct
15 shipper licensee with the alcohol and tobacco tax and trade
16 bureau of the United States department of treasury for the
17 preceding month, including all production, storage, and
18 processing reports.

19 6. The license holder at the time of filing the report as
20 required by subsection 5 shall pay to the department the amount
21 as required pursuant to subsection 4. The department shall
22 assess and collect a civil penalty of ten percent of the amount
23 due if the report required to be filed pursuant to this section
24 and the amount required to be paid as provided by subsection
25 4 is not filed and the amount paid within the time required by
26 this section.

27 7. An alcoholic liquor direct shipper licensee shall be
28 deemed to have consented to the jurisdiction of the department
29 or any other agency or court in this state concerning
30 enforcement of this section and any related laws, rules, or
31 regulations. A license holder shall allow the department to
32 perform an audit of shipping records upon request.

33 8. A violation of this section shall subject the licensee
34 to the general penalties provided in this chapter and shall
35 constitute grounds for imposition of a civil penalty or

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 993

1 suspension or revocation of the license pursuant to section
2 123.39.

3 Sec. 8. Section 123.43A, subsection 2, Code 2025, is amended
4 to read as follows:

5 2. A native distillery shall not sell more than nine
6 liters per person per day, of native distilled spirits on
7 the premises of the native distillery. However, a native
8 distillery ~~shall not directly~~ may ship native distilled spirits
9 for sale at retail manufactured by the native distillery in
10 closed containers to individual purchasers inside the state by
11 obtaining an alcoholic liquor direct shipper license pursuant
12 to section 123.42A. The native distillery shall maintain
13 records of individual purchases of native distilled spirits at
14 the native distillery for three years.

15 Sec. 9. Section 123.43A, subsection 7, Code 2025, is amended
16 to read as follows:

17 7. A native distillery may sell the native distilled spirits
18 it manufactures to customers outside the state, pursuant to the
19 laws of that jurisdiction.

20 Sec. 10. Section 123.46A, subsection 5, Code 2025, is
21 amended to read as follows:

22 5. Nothing in this section shall impact the direct shipment
23 of alcoholic liquor as regulated by section 123.42A or the
24 direct shipment of wine as regulated by section 123.187.

25 Sec. 11. Section 123.173C, subsection 4, paragraphs b and d,
26 Code 2025, are amended to read as follows:

27 *b.* A person, within or outside of the state, who desires
28 to ship wine from a private collection to a wine auction
29 permittee to be sold at auction shall do so through a holder of
30 ~~a wine~~ an alcoholic beverage carrier permit. The wine auction
31 permittee shall ensure that each bottle of wine so acquired
32 is permanently affixed with a label stating that the wine was
33 acquired from a private collection.

34 *d.* A permittee is responsible for the storage of all wines
35 that are to be offered at auction at the licensed premises,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 993

1 and for the subsequent shipment and delivery of all wines sold
2 at auction to the purchasers of the wines. Shipment of wine
3 pursuant to this paragraph shall only be done by a holder of a
4 ~~wine~~ an alcoholic beverage carrier permit.

5 Sec. 12. Section 123.187, subsection 3, paragraph d, Code
6 2025, is amended to read as follows:

7 *d.* All containers of wine shipped directly to a resident of
8 this state shall be shipped by a holder of ~~a wine~~ an alcoholic
9 beverage carrier permit as provided in [section 123.188](#).

10 Sec. 13. Section 123.188, subsections 1, 2, and 4, Code
11 2025, are amended to read as follows:

12 1. A person desiring to deliver alcoholic liquor subject to
13 direct shipment within this state pursuant to section 123.42A,
14 wine subject to direct shipment within this state pursuant to
15 section 123.187, or to deliver wine shipped to or by a wine
16 auction permittee pursuant to [section 123.173C](#), shall submit
17 an application for ~~a wine~~ an alcoholic beverage carrier permit
18 electronically, or in a manner prescribed by the director,
19 which shall be accompanied by a fee in the amount of one
20 hundred dollars.

21 2. The director may in accordance with [this chapter](#) issue a
22 ~~wine~~ an alcoholic beverage carrier permit which shall be valid
23 for one year from the date of issuance unless it is sooner
24 suspended or revoked for a violation of [this chapter](#).

25 4. The delivery of alcoholic liquor or wine pursuant to this
26 section ~~shall be~~ is subject to the following requirements and
27 restrictions:

28 *a.* ~~A wine~~ An alcoholic beverage carrier permittee shall not
29 deliver alcoholic liquor or wine to any person under twenty-one
30 years of age, or to any person who either is or appears to be in
31 an intoxicated state or condition.

32 *b.* ~~A wine~~ An alcoholic beverage carrier permittee shall
33 obtain valid proof of identity and age prior to delivery,
34 and shall obtain the signature of an adult as a condition of
35 delivery.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 993

1 information on the name of the manufacturer, the name of
2 the brand, the standard of fill, the wholesale price, and
3 other information as requested by the department. The bill
4 also requires each licensee to make a monthly report to the
5 department that lists the products and quantities shipped
6 directly to residents of this state in the preceding month,
7 the name and address of the individuals to whom the alcoholic
8 liquor was sold in each sale, the wholesale price of the
9 alcoholic liquor sold, the purchase price and taxes charged
10 of the alcoholic liquor sold, the alcoholic beverage carrier
11 permittee who delivered each shipment, and documents filed by
12 the licensee with the alcohol and tobacco tax and trade bureau
13 of the United States department of treasury for the preceding
14 month, including all production, storage, and processing
15 reports.

16 Finally, the bill requires a licensee to remit an amount
17 to the department depending on whether the alcoholic liquor
18 shipped is listed for sale by the department. If the alcoholic
19 liquor is listed for sale by the department, the permittee
20 shall remit to the department an amount equivalent to 50
21 percent of the wholesale price paid by the department for
22 the alcoholic liquor. If the alcoholic liquor is not listed
23 for sale by the department, the permittee shall remit to
24 the department an amount equivalent to 50 percent of the
25 wholesale price of the alcoholic liquor as registered with
26 the department. The bill provides that a civil penalty of 10
27 percent of the amount due shall be assessed and collected if
28 the amount required to be paid to the department as provided
29 by the bill is not paid within the time required. Generally,
30 moneys collected by the department under Code chapter 123 for
31 the issuance of permits and licenses, and other moneys and
32 receipts received by the department from any other source under
33 the Code chapter, are deposited in the beer and liquor control
34 fund (Code section 123.17). Civil penalties imposed and
35 collected by the department under the Code chapter are credited

LSB 1058HZ (2) 91

-9-

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9/10

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 993

1 to the general fund of the state.

2 The bill allows a manufacturer of alcoholic liquor and a
3 native distillery to ship alcoholic liquor or native distilled
4 spirits, as applicable, to individual purchasers inside this
5 state by obtaining an alcoholic liquor direct shipper license
6 as established in the bill.

7 The bill replaces the wine carrier permit under current law
8 with an alcoholic beverage carrier permit to provide for the
9 direct shipment of alcoholic liquor as provided by the bill.

10 The bill takes effect January 1, 2026.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 994 - Introduced

HOUSE FILE 994
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 273)

A BILL FOR

1 An Act concerning quarterly reports on and payments of beer
2 barrel and wine gallonage taxes, and including effective
3 date provisions.

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

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 994

1 Section 1. Section 123.137, subsection 1, Code 2025, is
2 amended to read as follows:

3 1. a. Except as provided in paragraph "b", a person
4 holding a class "A" or special class "A" beer permit shall,
5 on or before the tenth day of each calendar month commencing
6 on the tenth day of the calendar month following the month
7 in which the person is issued a beer permit, make a report
8 under oath to the department electronically, or in a manner
9 prescribed by the director, showing the exact number of barrels
10 of beer, or fractional parts of barrels, sold by the beer
11 permit holder during the preceding calendar month. The report
12 shall also state information the director requires, and beer
13 permit holders shall at the time of filing a report pay to the
14 department the amount of tax due at the rate fixed in section
15 123.136.

16 b. A class "A" or special class "A" beer permit holder who
17 reasonably expects to be liable for not more than two thousand
18 five hundred dollars in barrel tax for the twelve-month period
19 beginning July 1 and ending June 30, and who was liable for not
20 more than two thousand five hundred dollars in barrel tax in
21 the immediately preceding twelve-month period beginning July
22 1 and ending June 30, may file reports and pay taxes due as
23 described in paragraph "a" on a quarterly basis according to the
24 following schedule:

25 (1) On or before October 10 for the months of July, August,
26 and September.

27 (2) On or before January 10 for the months of October,
28 November, and December.

29 (3) On or before April 10 for the months of January,
30 February, and March.

31 (4) On or before July 10 for the months of April, May, and
32 June.

33 Sec. 2. Section 123.184, subsection 1, Code 2025, is amended
34 to read as follows:

35 1. a. Each Except as provided in paragraph "b", a class

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 994

1 "A" wine permit holder on or before the tenth day of each
2 calendar month commencing on the tenth day of the calendar
3 month following the month in which the person is issued a
4 permit, shall make a report under oath to the department
5 electronically, or in a manner prescribed by the director,
6 showing the exact number of gallons of wine and fractional
7 parts of gallons sold by that permit holder during the
8 preceding calendar month. The report also shall state whatever
9 reasonable additional information the director requires. The
10 permit holder at the time of filing this report shall pay to
11 the department the amount of tax due at the rate fixed in
12 section 123.183.

13 b. A class "A" wine permit holder who reasonably expects to
14 be liable for not more than two thousand five hundred dollars
15 in wine gallonage tax for the twelve-month period beginning
16 July 1 and ending June 30, and who was liable for not more than
17 two thousand five hundred dollars in wine gallonage tax in the
18 immediately preceding twelve-month period beginning July 1 and
19 ending June 30, may file reports and pay taxes as described in
20 paragraph "a" on a quarterly basis according to the following
21 schedule:

22 (1) On or before October 10 for the months of July, August,
23 and September.

24 (2) On or before January 10 for the months of October,
25 November, and December.

26 (3) On or before April 10 for the months of January,
27 February, and March.

28 (4) On or before July 10 for the months of April, May, and
29 June.

30 c. A penalty of ten percent of the amount of the tax shall
31 be assessed and collected if the report required to be filed
32 pursuant to this subsection is not filed and the tax paid
33 within the time required by this subsection.

34 Sec. 3. EFFECTIVE DATE. This Act takes effect January 1,
35 2026.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 994

1 EXPLANATION

2 The inclusion of this explanation does not constitute agreement with
3 the explanation's substance by the members of the general assembly.

4 Under current law, class "A" and special class "A" beer
5 permit holders are required to submit barrel tax reports and
6 payments to the department of revenue (department) on or before
7 the 10th day of each month. The beer barrel tax rate is \$5.89
8 for every 31-gallon barrel, and the fractional equivalent for a
9 portion of a barrel, on all beer manufactured for sale and sold
10 in this state at wholesale, all beer imported into this state
11 for sale at wholesale and sold in this state at wholesale, and
12 (for special class "A" beer permittees) all beer manufactured
13 for consumption on the premises and all beer sold at retail at
14 the manufacturing premises for consumption off the premises.
15 Beer sold out-of-state by class "A" and special class "A" beer
16 permit holders or sold to another class "A" beer permit holder
17 is not subject to the barrel tax.

18 Under current law, a class "A" wine permit holder is
19 similarly required to report on and pay the wine gallonage tax
20 to the department on or before the 10th day each month on all
21 wine manufactured for sale and sold in this state at wholesale
22 and wine imported into this state for sale at wholesale and
23 sold in this state at wholesale. The wine gallonage tax rate
24 is \$1.75 per gallon and the fractional equivalent for a portion
25 of a gallon. Wine sold to another class "A" wine permittee or
26 to a distributor outside of the state is not subject to the
27 wine gallonage tax.

28 This bill allows class "A" and special class "A" beer permit
29 holders and class "A" wine permit holders who reasonably expect
30 to be liable for not more than \$2,500 in beer barrel tax or wine
31 gallonage tax, respectively, for the 12-month period beginning
32 July 1 and ending June 30, and who were liable for not more than
33 \$2,500 in beer barrel tax or wine gallonage tax, respectively,
34 in the immediately preceding 12-month period, to file reports
35 and pay taxes to the department on or before the 10th day

LSB 2303HV (2) 91

-3-

ns/ns

3/4

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 994

1 following the end of each quarter, as specified in the bill.
2 The bill takes effect January 1, 2026.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 995 - Introduced

HOUSE FILE 995
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 240)

A BILL FOR

1 An Act relating to the issuance of a medical cannabidiol
2 registration card to a person who is not a resident of Iowa.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 995

1 Section 1. Section 124E.4, subsection 1, paragraph b, Code
2 2025, is amended by striking the paragraph.

3 Sec. 2. Section 124E.4, subsection 1, paragraph d,
4 subparagraph (1), Code 2025, is amended to read as follows:

5 (1) The patient's full name, Iowa residence address, date
6 of birth, and telephone number.

7 Sec. 3. Section 124E.4, subsection 2, paragraph a, Code
8 2025, is amended to read as follows:

9 a. The patient's full name, Iowa residence address, and date
10 of birth.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill strikes the requirement that a person be a resident
15 of Iowa in order to receive a medical cannabidiol registration
16 card in this state.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 996 - Introduced

HOUSE FILE 996
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 239)

A BILL FOR

1 An Act providing a sales tax exemption for the furnishing of
2 parking facilities services.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 996

1 Section 1. Section 423.2, subsection 6, paragraph ak, Code
2 2025, is amended by striking the paragraph.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with
5 the explanation's substance by the members of the general assembly.

6 This bill exempts the sales price of parking facility
7 services from the sales tax.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 997 - Introduced

HOUSE FILE 997
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 759)
(SUCCESSOR TO HSB 109)

A BILL FOR

1 An Act providing fees for the filing of a biennial report by
2 business entities with the secretary of state.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 997

1 Section 1. Section 490.122, subsection 1, paragraph ad,
2 Code 2025, is amended by striking the paragraph.

3 Sec. 2. Section 490.122, Code 2025, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 4. The secretary of state may impose,
6 assess, and collect a filing fee as a condition to accepting a
7 biennial report as provided in section 490.1621.

8 Sec. 3. Section 490.1621, subsection 4, Code 2025, is
9 amended to read as follows:

10 4. The first biennial report ~~shall~~ must be delivered to
11 the secretary of state between January 1 and April 1 of the
12 first even-numbered year following the calendar year in which a
13 domestic corporation was incorporated or a foreign corporation
14 was registered to do business in this state. ~~Subsequent A~~
15 biennial reports report must be delivered to the secretary
16 of state between January 1 and April 1 of the each following
17 even-numbered calendar ~~years~~ year. ~~For purposes of this~~
18 ~~section, each~~ A filing fee for the biennial report shall be
19 determined by the secretary of state pursuant to section
20 490.122. The biennial report shall contain information related
21 to the two-year period immediately preceding the calendar year
22 in which the report is filed.

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 GENERAL. A business entity organized by statute formed in
27 this state (domestic) or formed outside this state and doing
28 or transacting business in this state (foreign) must file a
29 biennial report with the secretary of state listing information
30 regarding the business entity. The business entity may be
31 organized on a profit basis such as a limited partnership (Code
32 section 488.210), limited liability company (Code section
33 489.109), or business corporation (Code section 490.1621);
34 on a cooperative basis such as an association, cooperative
35 association, or a cooperative (Code section 497.22, 498.24,

LSB 1421HZ (1) 91

-1-

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1/2

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 997

1 499.499, 501.713, or 501A.231); or as a nonprofit corporation
2 (Code section 504.1613). A business entity must file a
3 biennial report on a two-year cycle by April 1 of either an
4 even-numbered year or odd-numbered year depending on the type
5 of business entity formed. Generally, regardless of the form
6 of the business entity filing a biennial report, the business
7 entity must provide common information, including its name,
8 whether it is domestic or foreign, the name and address of its
9 registered agent and registered office for service of process,
10 the address of its principal office, and any alternative name
11 that it may use.

12 BILL'S PROVISIONS — FILING FEE. Generally, the secretary
13 of state determines the amount of the filing fee required to
14 accompany a biennial report filed by a domestic or foreign
15 business entity. However, a business corporation, incorporated
16 in this state or registered to do business in this state must
17 pay a filing fee at a statutorily fixed rate of \$60 (Code
18 section 490.122). This bill provides that for a business
19 corporation, the amount of the filing fee is also reserved
20 for determination by the secretary of state. The bill makes
21 changes in the language of the relevant statute to correspond
22 to the language in similar statutes governing other types of
23 domestic or foreign business entities.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 998 - Introduced

HOUSE FILE 998
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 799)
(SUCCESSOR TO HSB 143)

A BILL FOR

1 An Act providing for programs and regulations related to
2 agriculture, including crop production, animal health, and
3 agricultural processing, providing for powers and duties
4 of the department of agriculture and land stewardship,
5 providing fees, and providing penalties.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 DIVISION I
2 CROP PRODUCTION
3 PART A
4 APPLICATION OF NUTRIENTS

5 Section 1. Section 6A.21, subsection 1, paragraph b, Code
6 2025, is amended to read as follows:

7 *b. (1) "Agricultural land"* means real property owned by
8 a person in tracts of ten acres or more and not laid off into
9 lots of less than ten acres or divided by streets and alleys
10 into parcels of less than ten acres, and that has been used for
11 the production of agricultural commodities during three out
12 of the past five years. Such use of property includes, but
13 is not limited to, the raising, harvesting, handling, drying,
14 or storage of crops used for feed, food, seed, or fiber; the
15 care or feeding of livestock; the handling or transportation
16 of crops or livestock; the storage, treatment, or disposal of
17 livestock manure; and the application of fertilizers, soil
18 ~~conditioners~~ beneficial substances, pesticides, and herbicides
19 on crops. ~~Agricultural land~~

20 *(2) "Agricultural land"* includes land on which is located
21 farm residences or outbuildings used for agricultural purposes
22 and land on which is located facilities, structures, or
23 equipment for agricultural purposes. ~~Agricultural land~~

24 *(3) "Agricultural land"* includes land taken out of
25 agricultural production for purposes of environmental
26 protection or preservation.

27 Sec. 2. Section 190C.22, subsection 3, paragraph b, Code
28 2025, is amended to read as follows:

29 *b.* A sworn statement by the ~~state chemist~~ bureau chief
30 of the Iowa laboratory bureau or the ~~state chemist's~~ bureau
31 chief's deputy stating the results of an analysis of a sample
32 taken from a lot of agricultural products shall constitute
33 prima facie evidence of the correctness of the analysis of that
34 lot in a contested case proceeding or court proceeding.

35 Sec. 3. Section 200.3, Code 2025, is amended to read as

LSB 1411HZ (2) 91

-1-

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1/38

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 follows:

2 **200.3 Definitions of words and terms.**

3 When **As** used in **this chapter**, unless the context otherwise
4 requires:

5 1. "*Ammonium nitrate*" means a compound that is chiefly
6 composed of ammonium salt of nitric acid which contains not
7 less than thirty-three percent nitrogen, one-half of which is
8 in the ammonium form and one-half in the nitrate form.

9 2. ~~The term "*anhydrous ammonia*"~~ "*Anhydrous ammonia*" means
10 the compound formed by the combination of two gaseous elements,
11 nitrogen and hydrogen, in the proportion of one part nitrogen
12 to three parts hydrogen by volume.

13 3. "*Anhydrous ammonia plant*" means a facility used for
14 the manufacture or distribution of the compound formed by the
15 combination of two gaseous elements, nitrogen and hydrogen, in
16 the proportion of one part nitrogen to three parts hydrogen by
17 volume.

18 4. a. "*Beneficial substance*" means any substance or
19 compound, other than primary, secondary, or microplant
20 nutrients, that can be demonstrated by scientific research
21 to be beneficial to one or more species of plants, soils, or
22 media, including any of the following:

- 23 (1) A plant amendment.
24 (2) A plant biostimulant.
25 (3) A plant inoculant.
26 (4) A soil-amending ingredient.
27 (5) A soil-amending ingredient form.
28 (6) A soil amendment.
29 (7) A soil inoculant.
30 (8) Compost.

31 b. "*Beneficial substance*" does not include a pesticide.

32 5. ~~The term "*brand*"~~ "*Brand*" means a term, design, or
33 trademark used in connection with one or several grades
34 of commercial fertilizer, product name, or other specific
35 designation under which a individual beneficial substance or

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 commercial fertilizer is offered for sale.

2 ~~5. The term "bulk fertilizer" shall mean commercial~~
3 ~~fertilizer delivered to the purchaser in the solid, liquid, or~~
4 ~~gaseous state, in a nonpackaged form to which a label cannot~~
5 ~~be attached.~~

6 6. "Bulk" means in a nonpackaged form to which a label
7 cannot be attached.

8 ~~7. The term "commercial fertilizer" "Commercial~~
9 ~~fertilizer" includes fertilizer and fertilizer materials and~~
10 ~~fertilizer-pesticide mixtures.~~

11 8. "Compost" means a product manufactured through the
12 controlled aerobic, biological decomposition of a biodegradable
13 material if the product has undergone mesophilic and
14 thermophilic temperatures that significantly reduce the
15 viability of pathogens and weed seeds and stabilize carbon to
16 the extent that the product is beneficial to plant growth.

17 ~~7.~~ 9. "Department" means the department of agriculture and
18 land stewardship.

19 10. "Distribute" means to import, consign, manufacture,
20 produce, compound, mix, blend, or offer for sale, sell, barter,
21 or otherwise supply a commercial fertilizer or beneficial
22 substance in this state.

23 ~~8.~~ 11. The term "distributor" "Distributor" means
24 any person who imports, consigns, manufactures, produces,
25 compounds, mixes, or blends commercial fertilizer, or who
26 offers for sale, sells, barter, or otherwise distributes, a
27 commercial fertilizer or beneficial substance in this state.

28 ~~9.~~ 12. a. "Established date of operation" means the date on
29 which an anhydrous ammonia plant commenced operating.

30 b. If the physical facilities of the plant are subsequently
31 expanded, the established date of operation for each expansion
32 is deemed to be a separate and independent "established date of
33 operation" established as of the date of commencement of the
34 expanded operations.

35 c. The commencement of expanded operations does not divest

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 the plant of a previously established date of operation.

2 ~~10.~~ 13. "*Established date of ownership*" means the date
3 of the recording of an appropriate instrument of title
4 establishing the ownership of real estate.

5 ~~11.~~ 14. ~~The term "*fertilizer*"~~ "*Fertilizer*" means any
6 substance containing one or more recognized plant nutrient
7 ~~which is~~ nutrients used for its plant nutrient content
8 and ~~which is~~ designed for use and claimed to have value
9 in promoting plant growth except unmanipulated animal and
10 vegetable manures or calcium and magnesium carbonate materials
11 used primarily for correcting soil acidity.

12 ~~12.~~ 15. ~~The term "*fertilizer material*"~~ "*Fertilizer material*"
13 means any substance used as a fertilizer or for compounding
14 a fertilizer containing one or more of the recognized plant
15 nutrients which are used for promoting plant growth or altering
16 plant composition.

17 ~~13.~~ 16. ~~The term "*grade*"~~ "*Grade*" means the percentages
18 of total nitrogen, available phosphorus or P₂O₅ or both, and
19 soluble potassium or K₂O or both stated in whole numbers in same
20 terms, order, and percentages as in the "~~guaranteed analysis~~"
21 guaranteed analysis.

22 ~~14.~~ *Guaranteed analysis:*

23 17. a. (1) ~~The term "*guaranteed analysis*"~~ shall mean
24 "Guaranteed analysis" means the minimum percentage of plant
25 nutrients claimed and reported as Total Nitrogen (N), Available
26 Phosphorus (P) or P₂O₅ or both, Soluble Potassium (K) or K₂O or
27 both and in the following form:

28 Total Nitrogen (N)	... percent
29 Available Phosphorus (P) or P ₂ O ₅ or both	... percent
30 Soluble Potassium (K) or K ₂ O or both	... percent

31 (2) Registration and guarantee of water soluble phosphorus
32 (P) or (P₂O₅) shall be permitted.

33 b. ~~The term "*guaranteed analysis*"~~ "Guaranteed analysis",
34 in the form specified in paragraph "a", includes all of the
35 following:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 (1) (a) For unacidulated mineral phosphatic materials and
2 basic slag, both total and available phosphorus or P₂O₅ or both
3 and the degree of fineness.

4 (b) For bone tankage and other organic phosphatic
5 materials, total phosphorus or P₂O₅ or both.

6 (2) When any additional plant nutrient elements contained
7 in a beneficial substance ~~as identified in subsection 10~~
8 ~~of this section~~, are claimed in writing, they shall be
9 identified in the guarantee, expressed as the element, and
10 shall be subject to inspection and analysis in accordance with
11 the methods and regulations that may be prescribed by the
12 association of official agricultural chemists.

13 18. "Label" means the display of all written, printed,
14 or graphic matter upon the immediate container or statement
15 accompanying a commercial fertilizer or beneficial substance.

16 19. "Labeling" means the advertising or promotion of any
17 commercial fertilizer or beneficial substance including but
18 not limited to any written, printed, graphic, or electronic
19 communication used in promoting the sale of a commercial
20 fertilizer or beneficial substance.

21 ~~15.~~ 20. "Licensee" means a person licensed under section
22 200.4.

23 ~~16.~~ 21. "Nuisance" means public or private nuisance as
24 defined by statute or by the common law.

25 ~~17.~~ 22. "Nuisance action or proceeding" means an action,
26 claim or proceeding brought at law, in equity, or as an
27 administrative proceeding, which is based on nuisance.

28 ~~18.~~ 23. The term "official sample" "Official sample" means
29 any sample of commercial fertilizer taken by the secretary or
30 the secretary's agent.

31 ~~19.~~ "Organic agricultural product" means the same as defined
32 in section 190C.1.

33 ~~20.~~ 24. "Owner" means the person holding record title to
34 real estate, and includes both legal and equitable interest
35 under recorded real estate contracts.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 21. 25. ~~The term "percent or percentage" "Percent" or~~
2 "percentage" means the percentage by weight.

3 22. 26. ~~The term "person" "Person" includes an individual,~~
4 or a type of partnership, limited liability company,
5 corporation, or association, firm, and corporation formed or
6 organized to do business in this state or authorized to do or
7 transact business in this state.

8 23. 27. ~~The term "pesticide" as used in this chapter~~
9 means "Pesticide" includes insecticides, miticides, nemacides,
10 fungicides, herbicides, and any other substance used in pest
11 control.

12 28. "Plant amendment" means any substance applied to
13 a plant seed which is intended to improve growth, yield,
14 product quality, reproduction, flavor, or other favorable
15 characteristics of a plant except a fertilizer, soil amendment,
16 agricultural liming material, animal manure, vegetable manure,
17 pesticide, plant regulator, or other material which may be
18 exempted by regulation.

19 29. "Plant biostimulant" means a substance, microorganism,
20 or mixture thereof, that, when applied to a seed, plant, the
21 rhizosphere, soil, or other growth media, acts to support
22 a plant's natural nutrition processes independently of
23 the biostimulant's nutrient content and improves nutrient
24 availability, uptake, or use efficiency, tolerance to abiotic
25 stress, and consequent growth, development, quality, or yield.

26 30. "Plant inoculant" means a product consisting of
27 microorganisms to be applied to the plant or soil for the
28 purpose of enhancing the availability or uptake of plant
29 nutrients through the root system.

30 24. 31. "Secretary" means the secretary of agriculture.

31 25. 32. ~~The term "sell" "Sell" or "sale" includes exchange.~~

32 26. 33. ~~A "soil conditioner" is "Soil amendment" means any~~
33 substance which when added to the soil or applied to plants
34 will produce a favorable growth, yield or quality of crop
35 or soil flora or fauna or other soil characteristics, other

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 ~~than~~ or a mixture of substances which is intended to improve
2 the physical, chemical, biochemical, biological, or other
3 characteristic of the soil, except a fertilizer, recognized
4 pesticide agricultural liming material, unmanipulated animal
5 and manure, unmanipulated vegetable manures or calcium and
6 magnesium carbonate materials used primarily for correcting
7 soil acidity manure, pesticide, or any other material exempted
8 by regulation.

9 34. "Soil inoculant" means a microbial product that is
10 applied to colonize the soil to benefit the soil chemistry,
11 biology, or structure.

12 35. "Soil-amending ingredient" means any substance which
13 when applied to soil will improve the physical, chemical,
14 biochemical, biological, or other characteristics of the soil.

15 36. "Soil-amending ingredient form" means the chemical
16 compound, such as salt, chelate, oxide, or acid, of an
17 ingredient or the physical form of an ingredient.

18 ~~27.~~ 37. A "specialty fertilizer" is "Specialty fertilizer"
19 means a commercial fertilizer distributed primarily for
20 nonfarm use, such as home gardens, lawns, shrubbery, flowers,
21 golf courses, municipal parks, cemeteries, greenhouses, and
22 nurseries, and may include commercial fertilizers used for
23 research or experimental purposes.

24 ~~28.~~ 38. The term "ton" "Ton" means a net weight of two
25 thousand pounds avoirdupois.

26 ~~29.~~ 39. a. The term "unmanipulated manures" "Unmanipulated
27 manures" means any substances composed primarily of excreta,
28 plant remains, or mixtures of such substances which have not
29 been processed in any manner other than dewatering.

30 b. "Unmanipulated manures" includes unmanipulated animal
31 manure or unmanipulated vegetable manure.

32 ~~30. Words importing the singular number may extend and be~~
33 ~~applied to several persons or things, and words importing the~~
34 ~~plural number may include the singular.~~

35 Sec. 4. Section 200.4, Code 2025, is amended to read as

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 follows:

2 **200.4 License — fee and expiration — mixture requirement.**

3 1. Any person who manufactures, mixes, blends, mixes to
4 customer's order, offers for sale, sells, or distributes any
5 fertilizer or ~~soil-conditioner~~ beneficial substance in this
6 state must first obtain a license issued by the secretary and
7 pay a twenty dollar license fee for each place of manufacture
8 or distribution from which fertilizer or ~~soil-conditioner~~
9 beneficial substance products are sold or distributed in this
10 state. The license shall expire on July 1 of the even-numbered
11 year following the date the license is issued. A license may
12 be renewed for a two-year period as provided by the department.

13 2. The licensee shall at all times produce an intimate
14 and uniform mixture of fertilizers or ~~soil-conditioners~~
15 beneficial substances. When two or more fertilizer materials
16 are delivered in the same load, they shall be thoroughly and
17 uniformly mixed unless they are in separate compartments.

18 Sec. 5. Section 200.5, Code 2025, is amended to read as
19 follows:

20 **200.5 Registration.**

21 1. Each brand and grade of commercial fertilizer and each
22 ~~soil-conditioner~~ beneficial substance shall be registered
23 before being offered for sale, sold, or otherwise distributed
24 in this state; except that a commercial fertilizer formulated
25 according to special specifications furnished by a consumer
26 to fill the consumer's order shall not be required to be
27 registered, but shall be labeled as provided in section 200.6,
28 subsection 3 1, paragraph "c". The application for registration
29 shall be submitted to the secretary on forms furnished by the
30 secretary and shall be accompanied by a label setting forth the
31 guaranteed analysis which shall be the same as that appearing
32 on the registered product.

33 2. ~~All~~ A registration ~~will~~ shall be permanent, provided,
34 however, that the secretary may request a listing of products
35 to be currently manufactured. The application shall include

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 the following information in the following order:

- 2 a. Net weight, if sold in packaged form.
- 3 b. Name and address of the registrant.
- 4 c. Name of product.
- 5 d. Brand.
- 6 e. Grade, if the product contains a recognized plant food.
- 7 f. Guaranteed analysis.

8 3. In addition to the information required in subsection
9 ~~2 of this section~~, applications an application for the
10 registration of ~~soil conditioners~~ a beneficial substance must
11 include the name or chemical designation and percentage of
12 content of each of the active ingredients. Each microbial
13 organism ingredient must be identified with species and genus
14 in colony-forming units per gram for a dry product or per
15 milliliter for a liquid product. Another unit of quantity
16 may be acceptable if an accurate and verifiable guarantee is
17 presented.

18 4. The secretary is authorized, ~~after public hearing,~~
19 ~~following due notice,~~ to adopt rules under chapter 17A
20 regulating the labeling and registration of ~~specialty~~
21 commercial fertilizers and other fertilizer products beneficial
22 substances, when necessary in the secretary's opinion. The
23 secretary may require any reasonable information in addition
24 to section 200.3, subsection ~~14~~ 17, which is necessary and
25 useful to the purchasers of ~~specialty fertilizers~~ commercial
26 fertilizers and beneficial substances of this state and to
27 promote uniformity among states.

28 5. The secretary is authorized ~~after public hearing,~~
29 ~~following due notice,~~ to ~~establish~~ adopt rules under chapter
30 17A establishing minimum acceptable levels of trace and
31 ~~secondary elements~~ components recognized as effective to aid
32 crops produced in Iowa this state and to require such warning
33 statements as may be deemed necessary to prevent injury to
34 crops or for user safety.

35 6. The secretary, whenever the secretary deems it necessary

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 in the administration of this chapter, may require the
2 submission of additional data about any article, including a
3 fertilizer, beneficial substance, or other product regulated
4 under this chapter to support the claims made for it. If it
5 appears to the secretary that the composition of the article is
6 such as to warrant the claims made for it, and if the article,
7 its labeling and other material required to be submitted,
8 comply with the requirements of this chapter, the secretary
9 shall register the product.

10 7. If it does not appear to the secretary that the article
11 is such as to warrant the proposed claims for it, or if the
12 article and its labeling and other material required to be
13 submitted ~~does~~ do not comply with ~~the~~ a provision of this
14 chapter, the secretary shall notify the registrant of the
15 manner in which the article, labeling, or other material
16 required to be submitted fails to comply with this chapter
17 so as to afford the registrant an opportunity to make the
18 necessary corrections before resubmitting the label.

19 8. It shall be the responsibility of the registrant to
20 submit satisfactory evidence of favorable effects and safety
21 of the product.

22 9. The secretary shall establish minimum requirements
23 for the registration of fertilizers and ~~soil conditioners~~
24 beneficial substances by efficacy testing or the substantiation
25 of data relevant to Iowa this state's crops and soils.

26 10. A distributor shall not be required to register
27 any brand and grade of commercial fertilizer or beneficial
28 substance which is already registered under this chapter by
29 another person.

30 ~~11. The advisory committee created in section 206.23 shall~~
31 ~~advise and assist the secretary on the registration of a~~
32 ~~product of commercial fertilizer or soil conditioner under the~~
33 ~~provisions of this chapter.~~

34 Sec. 6. Section 200.6, Code 2025, is amended to read as
35 follows:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 **200.6 Labeling.**

2 1. a. Any commercial fertilizer offered for sale or sold or
3 distributed in this state in bags~~r~~ or other containers~~r~~, shall
4 have placed on or affixed to the container in legibly written
5 or printed form, the information required by [section 200.5](#),
6 subsection 2~~r~~, either on tags affixed to the end of the package
7 or directly on the package.

8 2. b. If distributed in bulk, ~~the~~ a shipment of commercial
9 fertilizer must be accompanied by a written or printed
10 statement giving the purchaser's name and address in addition
11 to the labeling requirement set forth in [section 200.5](#),
12 subsection 2.

13 3. c. A commercial fertilizer formulated according to
14 specifications which are furnished by a consumer prior to
15 mixing shall be labeled to show the net weight, guaranteed
16 analysis, and the name and address of the distributor and
17 may show the net weight and guaranteed analysis of each of
18 the fertilizer materials or soil conditioners used. It is
19 the responsibility of the distributor to mix these materials
20 uniformly and intimately so that when sampled in the prescribed
21 manner the resulting analysis would meet the guarantee.

22 4. d. All bulk bins or intermediate storage of bulk
23 commercial fertilizer where being offered for sale or
24 distributed direct to the consumer shall be labeled showing
25 brand, name, and grade of product.

26 5. e. All fertilizers distributed or stored in bulk, unless
27 in the manufacturers authorized containers, shall be labeled as
28 the responsibility of the possessor.

29 6. 2. Soil conditioners A beneficial substance shall be
30 labeled in accordance with [subsection 1 of this section](#) and
31 in addition shall show the name or chemical designation and
32 content or the active ingredients.

33 Sec. 7. Section 200.8, Code 2025, is amended to read as
34 follows:

35 **200.8 Inspection fees.**

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 1. a. There shall be paid by the licensee to the secretary
2 for all any commercial fertilizers and soil conditioners
3 fertilizer or beneficial substance sold, or distributed in this
4 state, an inspection fee to be fixed annually by the secretary
5 of agriculture at not more than twenty cents per ton. Sales
6 The sale of a commercial fertilizer or beneficial substance
7 for manufacturing purposes only ~~are hereby~~ is exempted from
8 ~~fees~~ an inspection fee but must still be reported showing
9 the manufacturer who purchased ~~same~~ it. Payment of ~~said~~ the
10 inspection fee by any licensee shall exempt all other persons,
11 firms, or corporations from the payment thereof.

12 b. On an individual packages package of specialty a
13 commercial fertilizer or beneficial substance containing
14 twenty-five pounds or less, there shall be paid by the
15 manufacturer in lieu of the semiannual inspection fee as set
16 forth in this chapter, an annual registration and inspection
17 fee of one hundred dollars for each brand and grade sold or
18 distributed in the state. In the event that any manufacturer
19 sells ~~specialty~~ a commercial fertilizer or beneficial substance
20 in ~~packages~~ a package of twenty-five pounds or less and also
21 in ~~packages~~ a package of more than twenty-five pounds, this
22 annual registration and inspection fee shall apply only to that
23 portion sold in ~~packages~~ a package of twenty-five pounds or
24 less, and that portion sold in ~~packages~~ a package of more than
25 twenty-five pounds shall be subject to the same inspection fee
26 as fixed by the secretary of agriculture as provided in this
27 chapter.

28 c. Any person other than a manufacturer who annually offers
29 for sale, sells, or distributes specialty fertilizer in the
30 amount of four thousand pounds or more or applies specialty
31 fertilizer for compensation shall pay an annual inspection fee
32 of thirty dollars in lieu of the semiannual inspection fee as
33 set forth in this chapter.

34 2. Every person who is a licensee and any person required
35 to pay an annual registration and inspection fee under this

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 chapter in this state shall do all of the following:

2 a. File not later than the last day of January and
3 July of each year, on forms furnished by the secretary, a
4 semiannual statement setting forth the number of net tons of
5 commercial fertilizer or ~~soil conditioners~~ beneficial substance
6 distributed in this state by grade ~~for each county~~ during the
7 preceding six-month period; ~~and upon~~. Upon filing such the
8 semiannual statement, the person shall pay the inspection fee
9 at the rate stated in subsection 1. However, in lieu of the
10 semiannual statement by grade ~~for each county~~, on individual
11 packages of specialty fertilizer containing twenty-five pounds
12 or less of commercial fertilizer, the registrant shall file
13 not later than the last day of July of each year, on forms
14 furnished by the secretary, an annual statement setting forth
15 the number of net tons of specialty commercial fertilizer
16 distributed in this state by grade during the preceding
17 twelve-month period.

18 b. If the tonnage report is not filed or the payment of
19 inspection fees, or both, is not made within ten days after
20 the last day of January and July of each year as required in
21 paragraph "a" of ~~this subsection~~, a penalty amounting to ten
22 percent of the amount due, if any, shall be assessed against
23 the licensee. In any case, the penalty shall be no less than
24 fifty dollars. The amount of fees due, if any, and penalty
25 shall constitute a debt and become the basis of a judgment
26 against the licensee.

27 ~~3. If there is an unencumbered balance of funds from the~~
28 ~~amount of the fees deposited in the general fund pursuant to~~
29 ~~sections 200.9 and 201A.11 on June 30 of any fiscal year equal~~
30 ~~to or exceeding three hundred fifty thousand dollars, the~~
31 ~~secretary of agriculture shall reduce the per ton fee provided~~
32 ~~for in subsection 1 and the annual license fee established~~
33 ~~pursuant to section 201A.3 for the next fiscal year in such~~
34 ~~amount as will result in an ending estimated balance of such~~
35 ~~funds for June 30 of the next fiscal year of three hundred~~

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 ~~fifty thousand dollars.~~

2 4. 3. In addition to the fees imposed under subsection
3 1, a groundwater protection fee shall be imposed upon
4 nitrogen-based fertilizer. The fee shall be based upon the
5 percentage of actual nitrogen contained in the product. An
6 eighty-two percent nitrogen solution shall be taxed at a rate
7 of seventy-five cents per ton. Other nitrogen-based product
8 formulations shall be taxed on the percentage of actual
9 nitrogen contained in the formulations with the eighty-two
10 percent nitrogen solution serving as the base. The fee
11 shall be paid by each licensee registering to sell fertilizer
12 to the secretary of agriculture. The fees collected shall
13 be deposited in the agriculture management account of the
14 groundwater protection fund. The secretary ~~of agriculture~~
15 shall adopt rules for the payment, filing, and collection of
16 groundwater protection fees from licensees in conjunction
17 with the collection of registration and inspection fees. The
18 secretary shall, by rule, allow an exemption to the payment
19 of this fee for fertilizers which contain trace amounts of
20 nitrogen.

21 Sec. 8. Section 200.10, Code 2025, is amended to read as
22 follows:

23 **200.10 Inspection, sampling, and analysis.**

24 1. It shall be the duty of the secretary, who may act
25 through an authorized agent, to sample, inspect, make analysis
26 of, and test commercial fertilizers or ~~soil conditioners~~
27 beneficial substances distributed within this state at time
28 and place and to such an extent as the secretary may deem
29 necessary, to determine whether such commercial fertilizers ~~and~~
30 ~~soil conditioners~~ or beneficial substances are in compliance
31 with the provisions of this chapter. In the performance of
32 the foregoing duty, the secretary ~~shall counsel~~ may consult
33 with the director of the Iowa agricultural experimental station
34 in respect to the time, place, and extent of sampling. The
35 secretary acting individually or through an agent is authorized

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 to enter upon any public or private premises or conveyances
2 during regular business hours in order to have access to
3 ~~a commercial fertilizers~~ fertilizer or ~~soil conditioners~~
4 beneficial substance subject to the provisions of this chapter
5 ~~and the rules and regulations pertaining thereto including in~~
6 rules adopted by the department under this chapter. ~~It shall~~
7 ~~be the duty of the~~ The secretary ~~to~~ shall maintain a laboratory
8 with the necessary equipment and to employ such employees
9 as may be necessary to ~~aid~~ assist in the administration and
10 enforcement of this chapter.

11 2. a. The methods of sampling and analysis shall be the
12 official methods of the association of official agricultural
13 chemists in all cases where methods have been adopted by the
14 association.

15 b. The findings of the ~~state chemist or the state chemist's~~
16 bureau chief of the Iowa laboratory bureau, or the bureau
17 chief's deputy, as shown by the sworn statement of the results
18 of analysis of official samples of any brand and grade of
19 commercial fertilizer, fertilizer material, ~~or soil conditioner~~
20 beneficial substance, shall constitute prima facie evidence of
21 ~~their~~ its correctness in the courts of this state, as to the
22 particular lots sampled and analyzed.

23 3. The secretary, in determining for administrative
24 purposes whether any commercial fertilizer is deficient in
25 plant food, or ~~soil conditioner~~ beneficial substance deficient
26 in guaranteed active ingredients, shall be guided by the
27 official sample as defined in section 200.3, subsection ~~18~~ 23,
28 and obtained and analyzed as provided for in subsection 2 ~~of~~
29 this section.

30 4. The results of official analysis of any commercial
31 fertilizer or ~~soil conditioner~~ beneficial substance which
32 has been found to be in violation of any provision of this
33 chapter, shall be forwarded by the secretary to the registrant.
34 Upon request, the secretary shall furnish to the registrant a
35 portion of any sample.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 Sec. 9. Section 200.11, Code 2025, is amended to read as
2 follows:

3 **200.11 ~~Filler material~~ Item that is injurious or filler.**

4 ~~It shall be unlawful for any person to~~ A person shall
5 not manufacture, offer for sale, or sell in this state, any
6 commercial fertilizer, or ~~soil conditioner~~ beneficial substance
7 containing any ~~substance used as a filler~~ item that is
8 injurious to crop growth or deleterious to the soil, or to use
9 in such commercial fertilizer, or ~~soil conditioner~~ beneficial
10 substance as a filler any ~~substance~~ item that contains inert or
11 useless plant food material for the purpose or with the effect
12 of deceiving or defrauding the purchaser.

13 Sec. 10. Section 200.12, Code 2025, is amended to read as
14 follows:

15 **200.12 False or misleading statements.**

16 A commercial fertilizer or ~~soil conditioner~~ beneficial
17 substance is misbranded if it does not identify ~~substances~~
18 items promoting plant growth as ~~defined in section 200.3,~~
19 ~~subsection 11,~~ or if it carries any false or misleading
20 statement upon or attached to the container or stated on
21 the invoice or delivery ticket, or if the container or on
22 the invoice or delivery ticket or in any advertising matter
23 whatsoever connected with, accompanying, or associated with the
24 commercial fertilizer or ~~soil conditioner~~ beneficial substance.
25 Further, the burden of proof of the desirable effect of the
26 ~~product~~ commercial fertilizer or beneficial substance on plant
27 growth shall be the responsibility of the registrant.

28 Sec. 11. Section 200.14, Code 2025, is amended to read as
29 follows:

30 **200.14 Rules.**

31 1. a. The department may adopt rules pursuant to chapter
32 17A providing minimum general safety standards for the
33 design, construction, location, installation, and operation
34 of equipment for storage, handling, transportation by tank
35 truck or tank trailer, and utilization of ~~fertilizers and soil~~

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 ~~conditioners~~ a fertilizer or beneficial substance.

2 *b.* The rules shall be such as are reasonably necessary
3 for the protection and safety of the public and persons using
4 ~~fertilizers or soil conditioners~~ a fertilizer or beneficial
5 substance, and shall be in substantial conformity with the
6 generally accepted standards of safety.

7 *c.* ~~Fertilizer and soil conditioner~~ or beneficial substance
8 equipment shall be installed and maintained in a safe
9 operating condition and in conformity with rules adopted by the
10 department.

11 2. The department may adopt such reasonable rules as may
12 be necessary in order to carry into effect the purpose, and to
13 secure the efficient administration, of [this chapter](#).

14 3. [This chapter](#) does not prohibit the use of storage
15 tanks smaller than transporting tanks nor the transfer of ~~all~~
16 ~~kinds any kind of fertilizers~~ fertilizer or ~~soil conditioners~~
17 beneficial substance directly from transporting tanks to
18 implements of husbandry, if proper safety precautions are
19 observed.

20 4. Rules adopted to implement [this chapter](#) are not subject
21 to [section 17A.7, subsection 2 or 3](#).

22 Sec. 12. Section 200.15, Code 2025, is amended to read as
23 follows:

24 **200.15 Refusal to register or cancellation of registration**
25 **and licenses.**

26 1. Upon satisfactory evidence that the registrant or
27 licensee has used fraudulent or deceptive practices or has
28 willfully violated any provisions of [this chapter](#) or any
29 ~~rules and regulations promulgated~~ adopted under [this chapter](#),
30 the secretary is authorized and empowered to do any of the
31 following:

32 *a.* Cancel the registration of any product of commercial
33 fertilizer or ~~soil conditioner~~ beneficial substance or license.

34 *b.* Refuse to register any product of commercial fertilizer
35 or ~~soil conditioner~~ beneficial substance.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 c. Refuse to license any applicant.

2 2. ~~However, a~~ A registration or license shall not be revoked
3 or refused until the registrant or licensee has been given the
4 opportunity to appear for a hearing by the secretary.

5 Sec. 13. Section 200.16, Code 2025, is amended to read as
6 follows:

7 **200.16 "Stop sale" orders.**

8 The secretary may issue and enforce a written or printed
9 "stop sale, use or removal" order to the owner or custodian of
10 any lot of commercial fertilizer or ~~soil conditioner~~ beneficial
11 substance, if the secretary finds the commercial fertilizer
12 or ~~soil conditioner~~ beneficial substance is being offered or
13 exposed for sale in violation of any of the provisions of
14 this chapter ~~or including any of the rules and regulations~~
15 ~~promulgated rule adopted under~~ this chapter. The secretary may
16 hold the commercial fertilizer or ~~soil conditioner~~ beneficial
17 substance at a designated place until the law has been complied
18 with and the commercial fertilizer or ~~soil conditioner~~
19 beneficial substance is released in writing by the secretary,
20 or the violation has been otherwise legally disposed of by
21 written authority, and all costs and expenses incurred in
22 connection with the withdrawal have been paid.

23 Sec. 14. Section 200.17, Code 2025, is amended to read as
24 follows:

25 **200.17 Seizure, condemnation, and sale.**

26 Any lot of commercial fertilizer or ~~soil conditioner~~
27 beneficial substance not in compliance with the provisions
28 of this chapter shall be subject to seizure on complaint of
29 the secretary to a court of competent jurisdiction in the
30 county or adjoining county in which the commercial fertilizer
31 or ~~soil conditioner~~ beneficial substance is located. In
32 the event the court finds the commercial fertilizer or ~~soil~~
33 ~~conditioner~~ beneficial substance to be in violation of this
34 chapter ~~and orders or an order for~~ the condemnation of the
35 commercial fertilizer or ~~soil conditioner~~ beneficial substance,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 ~~it~~ the commercial fertilizer or beneficial substance shall be
2 disposed of in any manner consistent with the quality of the
3 commercial fertilizer or ~~soil conditioner~~ beneficial substance
4 and the laws of the state. However, ~~in no instance shall the~~
5 disposition of the commercial fertilizer or ~~soil conditioner~~
6 beneficial substance shall not be ordered by the court without
7 first giving the claimant an opportunity to apply to the court
8 for release of the commercial fertilizer or ~~soil conditioner~~
9 beneficial substance or for permission to reprocess or relabel
10 the commercial fertilizer or ~~soil conditioner~~ beneficial
11 substance to bring it into compliance with this chapter.

12 Sec. 15. Section 200.18, subsection 1, Code 2025, is amended
13 to read as follows:

14 1. If it shall appear from the examination of any commercial
15 fertilizer or ~~soil conditioner~~ beneficial substance or any
16 anhydrous ammonia installation, equipment, or operation that
17 ~~any of the provisions~~ a provision of this chapter or ~~the rules~~
18 ~~and regulations issued, including any rule adopted~~ under this
19 chapter, have been violated, the secretary shall cause notice
20 of the violations to be given to the registrant, distributor,
21 or possessor from whom said sample was taken; ~~any~~. The person
22 so notified shall be given opportunity to be heard under such
23 rules and regulations as may be prescribed by the secretary.
24 If it appears after such hearing, either in the presence or
25 absence of the person so notified, that any ~~of the provisions~~
26 provision of this chapter or ~~rules and regulations issued,~~
27 including a rule adopted under this chapter ~~have,~~ has been
28 violated, the secretary may certify the facts to the proper
29 prosecuting attorney.

30 Sec. 16. Section 200.19, Code 2025, is amended to read as
31 follows:

32 **200.19 Exchanges between manufacturers.**

33 Nothing in this chapter shall be construed to restrict or
34 avoid sales or exchanges of commercial fertilizers or ~~soil~~
35 ~~conditioners~~ beneficial substances to each other by importers,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 manufacturers, or manipulators who mix fertilizer materials for
2 sale or as preventing the free and unrestricted shipments of
3 commercial fertilizer or soil conditioner to manufacturers or
4 manipulators who have registered their brands as required by
5 the provisions of [this chapter](#).

6 Sec. 17. Section 200.20, subsection 2, Code 2025, is amended
7 to read as follows:

8 2. [Subsection 1](#) ~~shall~~ does not apply to any of the
9 following:

10 a. A specialty fertilizer.

11 b. A fertilizer designed to be applied and ordinarily
12 applied directly to growing plant foliage to stimulate further
13 growth.

14 ~~c. Compost materials to be applied on land, if any of the~~
15 ~~following apply:~~

16 ~~(1) The land is being used to produce an agricultural~~
17 ~~commodity that is an organic agricultural product as provided~~
18 ~~in [chapter 190C](#), including rules adopted by the department~~
19 ~~under that chapter.~~

20 ~~(2) The land is in the transition of being used to produce~~
21 ~~an agricultural commodity that is an organic agricultural~~
22 ~~product, pursuant to rules adopted by the department as~~
23 ~~provided in [chapter 190C](#).~~

24 Sec. 18. Section 200.22, subsection 2, Code 2025, is amended
25 to read as follows:

26 2. The provisions of [this chapter](#) and rules adopted by
27 the department pursuant to [this chapter](#) shall preempt local
28 legislation adopted by a local governmental entity relating to
29 the use, sale, distribution, storage, transportation, disposal,
30 formulation, labeling, registration, or manufacture of a
31 fertilizer or ~~soil conditioner~~ beneficial substance. A local
32 governmental entity shall not adopt or continue in effect local
33 legislation relating to the use, sale, distribution, storage,
34 transportation, disposal, formulation, labeling, registration,
35 or manufacture of a fertilizer or ~~soil conditioner~~ beneficial

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 substance, regardless of whether a statute or rule adopted
2 by the department applies to preempt the local legislation.
3 Local legislation in violation of this section is void and
4 unenforceable.

5 Sec. 19. Section 200A.2, Code 2025, is amended to read as
6 follows:

7 **200A.2 Purpose.**

8 The purpose of this chapter is to regulate certain bulk
9 dry animal manure for use as a fertilizer or ~~soil conditioner~~
10 beneficial substance, which is unmanipulated and therefore not
11 subject to regulation under chapter 200.

12 Sec. 20. Section 202.1, subsection 12, Code 2025, is amended
13 to read as follows:

14 12. "Produce" means to do any of the following:

15 a. Provide feed or services ~~relating to~~ as part of the
16 livestock's care and feeding of livestock. If the livestock is
17 dairy cattle, "produce" includes milking the dairy cattle and
18 storing raw milk at the contract producer's contract livestock
19 facility.

20 b. Provide for planting, raising, harvesting, and storing
21 a crop. "Produce" includes preparing the soil for planting
22 and nurturing the crop by the application of fertilizers a
23 fertilizer or soil conditioners beneficial substance as defined
24 in section 200.3 or pesticides a pesticide as defined in
25 section 206.2.

26 Sec. 21. Section 206.12, subsection 1, paragraph a, Code
27 2025, is amended to read as follows:

28 a. For the purpose of this chapter, fertilizers a fertilizer
29 in a mixed fertilizer-pesticide formulations formulation or
30 a beneficial substance in a beneficial substance-pesticide
31 formulation shall be considered as an inert ingredients
32 ingredient.

33 Sec. 22. Section 321.1, subsection 1, Code 2025, is amended
34 to read as follows:

35 1. a. "Agricultural hazardous material" means a hazardous

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 material, other than hazardous waste, whose end use directly
2 supports the production of an agricultural commodity,
3 including, but not limited to, a fertilizer, pesticide, soil
4 conditioner beneficial substance, or fuel.

5 b. "Agricultural hazardous material" is limited to material
6 in class 3, 8, or 9, division 2.1, 2.2, 5.1, or 6.1, or an ORM-D
7 material as defined in 49 C.F.R. §171.8.

8 Sec. 23. Section 403.17, subsection 3, Code 2025, is amended
9 to read as follows:

10 3. a. "Agricultural land" means real property owned by a
11 person in tracts of ten acres or more and not laid off into
12 lots of less than ten acres or divided by streets and alleys
13 into parcels of less than ten acres, and that has been used for
14 the production of agricultural commodities during three out
15 of the past five years. Such use of property includes, but
16 is not limited to, the raising, harvesting, handling, drying,
17 or storage of crops used for feed, food, seed, or fiber; the
18 care or feeding of livestock; the handling or transportation
19 of crops or livestock; the storage, treatment, or disposal of
20 livestock manure; and the application of fertilizers, soil
21 conditioners beneficial substances, pesticides, and herbicides
22 on crops. ~~Agricultural land~~

23 b. "Agricultural land" includes land on which is located
24 farm residences or outbuildings used for agricultural purposes
25 and land on which is located facilities, structures, or
26 equipment for agricultural purposes. ~~Agricultural land~~

27 c. "Agricultural land" includes land taken out of
28 agricultural production for purposes of environmental
29 protection or preservation.

30 Sec. 24. Section 455B.411, subsection 3, paragraph b,
31 subparagraph (1), Code 2025, is amended to read as follows:

32 (1) Agricultural wastes, including manures and crop
33 residues that are returned to the soil as fertilizers or soil
34 conditioners beneficial substances.

35 Sec. 25. Section 455E.11, subsection 2, paragraph b,

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 unnumbered paragraph 1, Code 2025, is amended to read as
2 follows:

3 An agriculture management account. Moneys collected from
4 the groundwater protection fee levied pursuant to section
5 200.8, subsection 4 3, the portion of the fees collected
6 pursuant to section 206.8, subsection 2, and section 206.12,
7 subsection 3, and other moneys designated for the purpose of
8 agriculture management shall be deposited in the agriculture
9 management account. The agriculture management account shall
10 be used for the following purposes:

11 Sec. 26. Section 579B.1, subsection 14, paragraph b, Code
12 2025, is amended to read as follows:

13 *b.* Provide for planting, raising, harvesting, and storing
14 a crop. "*Produce*" includes preparing the soil for planting
15 and nurturing the crop by the application of fertilizers a
16 fertilizer or soil conditioners beneficial substance as defined
17 in section 200.3 or pesticides a pesticide as defined in
18 section 206.2.

19 Sec. 27. Section 716.11, subsection 2, Code 2025, is amended
20 to read as follows:

21 2. *a.* "*Critical infrastructure sabotage*" means an
22 unauthorized and overt act intended to cause and having the
23 means to cause, and in substantial furtherance of causing, a
24 substantial and widespread interruption or impairment of a
25 fundamental service rendered by the critical infrastructure.

26 ~~However, "*critical infrastructure sabotage*"~~

27 *b.* "*Critical infrastructure sabotage*" does not include
28 an accidental interruption or impairment of service to the
29 critical infrastructure caused by a person in the performance
30 of the person's work duties or caused by a person's lawful
31 activity. In addition, "*critical infrastructure sabotage*" does
32 not include any condition or activity related to the production
33 of farm products as defined in section 554.9102, including
34 but not limited to the discharge of agricultural stormwater;
35 the construction or use of soil or water quality conservation

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 practices or structures; the preparation of agricultural land
2 and the raising, harvesting, drying, or storage of agricultural
3 crops; the application of a fertilizer or beneficial substance
4 as defined in section 200.3, ~~pesticides~~ a pesticide as defined
5 in section 206.2, or manure as defined in section 459.102; the
6 installation and use of agricultural drainage tile and systems;
7 the construction, operation, or management of an animal feeding
8 operation as defined in section 459.102; and the care, feeding,
9 or watering of livestock.

10 PART B

11 APPLICATION OF PESTICIDES — CERTIFICATION

12 Sec. 28. Section 206.5, subsection 7, paragraph b,
13 subparagraph (1), Code 2025, is amended to read as follows:

14 (1) The department ~~shall~~ may adopt by rule criteria for
15 allowing a person required to be certified to complete either
16 a written or oral examination.

17 DIVISION II

18 ANIMAL HEALTH

19 PART A

20 CONTROL OF INFECTIOUS OR CONTAGIOUS DISEASES AFFLICTING ANIMALS

21 Sec. 29. Section 163.1, subsection 1, Code 2025, is amended
22 by striking the subsection.

23 Sec. 30. Section 163.1, subsection 3, Code 2025, is amended
24 to read as follows:

25 3. Determine and employ the most efficient and practical
26 means for the identification and control of an infectious or
27 contagious disease afflicting animals that may threaten or
28 actually threatens animals in this state.

29 Sec. 31. NEW SECTION. 163.2B Rules.

30 1. The department shall adopt rules pursuant to chapter 17A
31 to administer and enforce this chapter.

32 2. If the department determines that rules described in
33 subsection 1 are required to be adopted and take effect on
34 an emergency basis to prevent or control the outbreak of an
35 infectious or contagious disease afflicting animals, the

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 department may adopt emergency rules under section 17A.4,
2 subsection 3, and section 17A.5, subsection 2, paragraph "b",
3 to administer and enforce this chapter. The rules shall be
4 effective immediately upon filing unless a later date is
5 specified in the rules. Any rules adopted in accordance with
6 this subsection shall also be published as a notice of intended
7 action as provided in section 17A.4.

8 Sec. 32. CODE EDITOR DIRECTIVE.

9 1. The Code editor is directed to make the following
10 transfers:

11 a. Section 163.2A to section 163.3.

12 b. Section 163.2B to section 163.2A.

13 2. The Code editor shall correct internal references in the
14 Code and in any enacted legislation as necessary due to the
15 enactment of this section.

16 Sec. 33. DIRECTIONS TO CODE EDITOR. The Code editor is
17 directed to arrange the provisions of chapter 163, subchapter
18 I, parts 1 and 2, as amended or enacted in this division of this
19 Act, into the following parts:

20 1. Part 1, including sections 163.1 through 163.2A.

21 2. Part 2, including sections 163.3 through 163.5.

22 PART B

23 PRACTICE OF VETERINARY MEDICINE

24 Sec. 34. Section 169.5, subsection 9, Code 2025, is amended
25 to read as follows:

26 9. A person who provides veterinary medical services,
27 owns a veterinary clinic, or practices in this state shall
28 obtain a certificate from the board and be subject to the same
29 standards of conduct, as provided in [this chapter](#) and rules
30 adopted by the board, as apply to a licensed veterinarian,
31 unless the board determines that the same standards of
32 conduct are inapplicable. The board shall issue, renew, or
33 deny a certificate; adopt rules relating to the standards of
34 conduct; and take disciplinary action against the person,
35 including suspension or revocation of a certificate, in

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 accordance with the procedures established in [section 169.14](#).
2 Certification fees shall be established by the board pursuant
3 to [subsection 7](#), paragraph “j”. Fees Certification fees
4 shall be established in an amount sufficient to fully offset
5 the costs of certification pursuant to [this subsection](#). ~~For~~
6 ~~the fiscal year beginning July 1, 2001, and ending June 30,~~
7 ~~2002, the department shall retain fees collected to administer~~
8 ~~the program of certifying veterinary clinics and the fees~~
9 ~~retained are appropriated to the department for the purposes~~
10 ~~of [this subsection](#). For the fiscal year beginning July 1,~~
11 ~~2001, and ending June 30, 2002, notwithstanding [section 8.33](#),~~
12 ~~fees which remain unexpended at the end of the fiscal year~~
13 ~~shall not revert to the general fund of the state but shall be~~
14 ~~available for use for the following fiscal year to administer~~
15 ~~the program. For the fiscal year beginning July 1, 2002, and~~
16 ~~succeeding fiscal years, certification Certification fees~~
17 shall be deposited in the general fund of the state and are
18 appropriated to the department to administer the certification
19 provisions of [this subsection](#). [This subsection](#) shall not
20 apply to an animal shelter, as defined in [section 162.2](#), that
21 provides veterinary medical services to animals in the custody
22 of the shelter.

23 Sec. 35. Section 169.13, Code 2025, is amended to read as
24 follows:

25 **169.13 Discipline of licensees.**

26 1. The board of veterinary medicine, after due notice and
27 hearing, may ~~revoke or suspend a license to practice veterinary~~
28 ~~medicine~~ take disciplinary action against a licensee if it
29 determines that a veterinarian licensed to practice veterinary
30 medicine is guilty of violating any of the following acts or
31 ~~offenses~~; grounds for discipline in this section.

32 2. The board is authorized to discipline licensees in any
33 of the following ways:

34 a. Impose a civil penalty against the licensee in an amount
35 not to exceed ten thousand dollars. If the board imposes a

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 civil penalty, all of the following apply:

2 (1) The collection of the civil penalty may be enforced in
3 a civil action brought by the attorney general on behalf of the
4 board.

5 (2) Moneys collected in civil penalties shall be deposited
6 in the general fund of the state.

7 b. Revoke or suspend a license to practice veterinary
8 medicine.

9 3. Any of the following actions or offenses constitutes
10 grounds for discipline:

11 a. Knowingly making a misleading, deceptive, untrue, or
12 fraudulent representation in the practice of the profession.

13 b. Being convicted of a felony in ~~the courts~~ a court of
14 this state or another state, territory, or country. Conviction
15 as used in this paragraph includes a conviction of an offense
16 which if committed in this state would be deemed a felony
17 without regard to its designation elsewhere, or a criminal
18 proceeding in which a finding or verdict of guilt is made or
19 returned, but the adjudication or guilt is either withheld or
20 not entered. A certified copy of the final order or judgment
21 of conviction or plea of guilty in this state or in another
22 state is conclusive evidence.

23 c. Violating a statute or law of this state, another state,
24 or the United States, without regard to its designation as
25 either felony or misdemeanor, ~~which if the~~ statute or law
26 relates to the practice of veterinary medicine.

27 d. Having the person's license to practice veterinary
28 medicine revoked or suspended, or having other disciplinary
29 action taken by a licensing authority of another state,
30 territory, or country. A certified copy of the record or
31 order of the suspension, revocation, or disciplinary action is
32 conclusive or prima facie evidence.

33 e. Knowingly aiding, assisting, procuring, or advising a
34 person to unlawfully practice veterinary medicine.

35 f. Being adjudged mentally incompetent by a court of

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 competent jurisdiction. The adjudication shall automatically
2 suspend a license for the duration of the license unless the
3 board orders otherwise.

4 *g.* Being guilty of a willful or repeated departure from, or
5 ~~the~~ a failure to conform to, the minimal standard of acceptable
6 and prevailing practice of veterinary medicine as defined in
7 rules adopted by the board, in which proceeding actual injury
8 to an animal need not be established; or the committing by a
9 veterinarian of an act contrary to honesty, justice, or good
10 morals, whether the act is committed in the course of the
11 practice or otherwise, and whether committed within or without
12 this state.

13 *h.* ~~Inability~~ Demonstrating an inability to practice
14 veterinary medicine with reasonable skill and safety by reason
15 of illness, drunkenness, excessive use of drugs, narcotics,
16 chemicals, or other type of material or as a result of a mental
17 or physical condition.

18 *i.* ~~Willful~~ Having willfully or ~~repeated violation of~~
19 repeatedly violated lawful rules adopted by the board or
20 violation of a lawful order of the board, previously entered by
21 the board in a disciplinary hearing.

22 ~~2.~~ 4. *a.* The board, upon probable cause, may compel a
23 veterinarian to submit to a mental or physical examination by
24 designated physicians. Failure of a veterinarian to submit to
25 an examination constitutes an admission to the allegations made
26 against that veterinarian and the finding of fact and decision
27 of the board may be entered without the taking of testimony
28 or presentation of evidence. At reasonable intervals, a
29 veterinarian shall be afforded an opportunity to demonstrate
30 that the veterinarian can resume the competent practice
31 of veterinary medicine with reasonable skill and safety to
32 animals.

33 *b.* A person licensed to practice veterinary medicine who
34 ~~makes application~~ applies for the renewal of the person's
35 license as required by [section 169.12](#) gives consent to

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 submit to a mental or physical examination as provided by
2 this paragraph when directed in writing by the board. All
3 objections shall be waived as to the admissibility of the
4 examining physician's testimony or examination reports on
5 the grounds that they constitute privileged communication.
6 The medical testimony or examination reports shall not
7 be used against a veterinarian in another proceeding and
8 are confidential except for other actions filed against a
9 veterinarian to revoke or suspend that person's license.

10 PART C

11 COURT-ORDERED MANAGEMENT OF LIVESTOCK IN IMMEDIATE NEED OF
12 SUSTENANCE

13 Sec. 36. Section 717.4A, Code 2025, is amended to read as
14 follows:

15 **717.4A Livestock in immediate need of sustenance — livestock**
16 **remediation fund.**

17 The department may utilize the moneys deposited into the
18 livestock remediation fund pursuant to [section 459.501](#) to pay
19 for any expenses associated with providing sustenance to or
20 the disposition of the livestock pursuant to a court order
21 entered pursuant to [section 717.3](#) or [717.5](#). The department
22 shall utilize moneys from the fund only to the extent that the
23 department determines that expenses cannot be timely paid by
24 utilizing the available provisions of [sections 717.4](#) and [717.5](#).
25 The department shall deposit any unexpended and unobligated
26 moneys in the fund. ~~The department shall pay to the fund the~~
27 ~~proceeds from the disposition of the livestock and associated~~
28 ~~products less expenses incurred by the department in providing~~
29 ~~for the sustenance and disposition of the livestock, as~~
30 ~~provided in [section 717.5](#)~~ If there are proceeds remaining after
31 the disposition of the livestock or associated products and
32 satisfaction of the department's expenses, and the department
33 has utilized moneys from the livestock remediation fund, the
34 department shall repay the fund from the proceeds.

35 Sec. 37. Section 717.5, subsection 1, Code 2025, is amended

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 by adding the following new paragraph:

2 NEW PARAGRAPH. *d.* If the court orders the disposition of
3 the livestock that involves the livestock's sale or transfer,
4 the order shall be deemed as occurring by a receiver appointed
5 pursuant to section 680.4.

6 Sec. 38. Section 717.5, subsection 3, Code 2025, is amended
7 by adding the following new paragraph:

8 NEW PARAGRAPH. *d.* If any moneys remain after satisfying the
9 costs of the local authority or department, such moneys shall
10 be distributed pursuant to the process and priorities contained
11 in chapter 680.

12 DIVISION III

13 AGRICULTURAL PROCESSING

14 Sec. 39. NEW SECTION. 189A.1A Objective.

15 1. It is the objective of this chapter to provide for meat
16 and poultry products inspection programs that will impose and
17 enforce requirements with respect to intrastate operations
18 and commerce that are at least equal to those imposed and
19 enforced under the federal Meat Inspection Act and the federal
20 Poultry Products Inspection Act with respect to operations and
21 transactions in interstate commerce.

22 2. The secretary is directed to administer this chapter
23 so as to accomplish this objective. The bureau chief of the
24 meat and poultry inspection bureau shall be designated as the
25 secretary's delegate to be the appropriate state official to
26 cooperate with the secretary of agriculture of the United
27 States in administration of this chapter.

28 Sec. 40. Section 189A.2, Code 2025, is amended by adding the
29 following new subsections:

30 NEW SUBSECTION. 5A. "*Department*" means the department of
31 agriculture and land stewardship.

32 NEW SUBSECTION. 29A. "*Secretary*" means the secretary of
33 agriculture.

34 Sec. 41. Section 189A.3, Code 2025, is amended to read as
35 follows:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 **189A.3 License — fee.**

2 1. *a.* A person shall not operate an establishment without
3 first obtaining a license from the department.

4 *b.* Paragraph “a” does not apply to any of the following:

5 (1) A food establishment as defined in [section 137F.1](#).

6 (2) A home food processing establishment as defined in
7 section 137D.1.

8 ~~(2)~~ (3) A person who slaughters, processes, or prepares
9 livestock or poultry of the person’s own raising, exclusively
10 for the person’s household, nonpaying guests, or nonpaying
11 employees.

12 2. *a.* The license fee for each establishment ~~per year or~~
13 ~~any part of a year~~ shall be as follows:

14 ~~a.~~ (1) For all meat and poultry slaughtered or otherwise
15 prepared not exceeding twenty thousand pounds per year for
16 sale, resale, or custom, ~~twenty-five~~ fifty dollars.

17 ~~b.~~ (2) For all meat and poultry slaughtered or otherwise
18 prepared in excess of twenty thousand pounds per year for sale,
19 resale, or custom, ~~fifty~~ one hundred dollars.

20 *b.* A license fee collected by the department shall be
21 retained by the department as appropriated receipts for
22 administration of this chapter.

23 3. *a.* ~~The moneys shall be deposited with the department.~~
24 ~~The A license year shall be from July 1 to June 30 shall expire~~
25 on July 1 of each odd-numbered year. Applications

26 *b.* An application for licenses a license shall be in writing
27 on forms a form prescribed by the department.

28 4. ~~It is the objective of [this chapter](#) to provide for meat~~
29 ~~and poultry products inspection programs that will impose and~~
30 ~~enforce requirements with respect to intrastate operations~~
31 ~~and commerce that are at least equal to those imposed and~~
32 ~~enforced under the federal Meat Inspection Act and the federal~~
33 ~~Poultry Products Inspection Act with respect to operations~~
34 ~~and transactions in interstate commerce; and the secretary~~
35 ~~is directed to administer [this chapter](#) so as to accomplish~~

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 ~~this purpose. A director of the meat and poultry inspection~~
2 ~~service shall be designated as the secretary's delegate to be~~
3 ~~the appropriate state official to cooperate with the secretary~~
4 ~~of agriculture of the United States in administration of this~~
5 ~~chapter.~~

6 Sec. 42. Section 189A.4, subsection 1, unnumbered paragraph
7 1, Code 2025, is amended to read as follows:

8 In order to accomplish the ~~objectives~~ objective of this
9 chapter, the secretary may exempt the following types of
10 operations from inspection:

11 Sec. 43. Section 189A.5, subsection 2, unnumbered paragraph
12 1, Code 2025, is amended to read as follows:

13 In order to accomplish the ~~objectives~~ objective stated
14 in section ~~189A.3~~ 189A.1A, the secretary shall do any of the
15 following:

16 Sec. 44. Section 189A.7, unnumbered paragraph 1, Code 2025,
17 is amended to read as follows:

18 In order to accomplish the objective stated in section
19 ~~189A.3~~ 189A.1A, the secretary may do any of the following:

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with
22 the explanation's substance by the members of the general assembly.

23 GENERAL. This bill provides for the administration of a
24 number of programs and regulations relating to agriculture,
25 including crop production, and specifically the application of
26 soil inputs such as fertilizers and soil conditioners (Code
27 chapters 200 and 200A) and pesticides (Code chapter 206);
28 animal health, and specifically the control of infectious or
29 contagious diseases afflicting animals (Code chapter 163), the
30 practice of veterinary medicine (Code chapter 169), and the
31 court-ordered management of livestock in immediate need of
32 sustenance (Code chapter 717); and agricultural processing, and
33 specifically the slaughter and processing of meat and poultry
34 products (Code chapter 189A).

35 CROP PRODUCTION — APPLICATION OF NUTRIENTS — BACKGROUND.

LSB 1411HZ (2) 91

-32-

da/ns

32/38

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 The department of agriculture and land stewardship (DALs)
2 regulates the composition of soil inputs, including nutrients
3 such as fertilizers which are manufactured to achieve optimum
4 plant growth under the Iowa fertilizer law (Code section
5 200.1), which includes a number of definitions (Code section
6 200.3). DALs also regulates fertilizing material which is
7 a substance used to compound a fertilizer, and a commercial
8 fertilizer which refers to a fertilizer, fertilizing material,
9 and a fertilizer-pesticide mixture. A secondary input is
10 referred to as a soil conditioner which is a substance other
11 than a fertilizer that improves the condition or structure
12 of the soil and is also used to improve plant growth. DALs
13 licenses persons who manufacture, offer for sale, sell, or
14 distribute a fertilizer or soil conditioner. The person is
15 also subject to a license fee (Code section 200.4). Each brand
16 or grade of commercial fertilizer or soil conditioner must
17 be registered with DALs (Code section 200.5). A fertilizer
18 or soil conditioner is subject to label requirements (Code
19 section 200.6). DALs imposes an inspection fee upon a
20 licensee (Code section 200.8). DALs must sample, inspect,
21 make analysis of, and test a commercial fertilizer or soil
22 conditioner distributed within the state (Code section 200.10).
23 A person is prohibited from manufacturing, offering for sale,
24 or selling a commercial fertilizer or soil conditioner that
25 is injurious to crop growth or deleterious to the soil (Code
26 section 200.11). A person selling a commercial fertilizer
27 or soil conditioner must identify substances promoting
28 its use in a manner that is not deceptive (Code section
29 200.12). DALs must adopt rules regulating equipment used
30 in storing, handling, and transporting fertilizers and soil
31 conditioners (Code section 200.14). DALs is authorized to
32 take administrative action against a licensee or registrant
33 acting in violation of the law, including by canceling the
34 license or registration (Code section 200.15), issuing a stop
35 order (Code section 200.16), or seizing a commercial fertilizer

LSB 1411HZ (2) 91

-33-

da/ns

33/38

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 or soil conditioner (Code section 200.17). A county, city,
2 or other political subdivision is prohibited from passing or
3 enforcing local legislation that regulates the use, sale,
4 distribution, storage, transportation, disposal, formulation,
5 labeling, registration, or manufacture of a fertilizer or soil
6 conditioner (Code section 200.22). A person registering a
7 pesticide must account for formulations of a fertilizer (Code
8 section 206.12). A number of Code sections include a reference
9 to soil conditioners: the definition of agricultural land
10 for purposes of eminent domain (Code section 6A.21) and urban
11 renewal (Code section 403.17) each include such a reference.
12 A transportation regulation involving hazardous materials
13 includes soil conditioners (Code section 321.1). A commodity
14 production contract lien (Code section 579B.1) covers the use
15 of a soil conditioner. An exception to the criminal offense
16 of critical infrastructure sabotage includes the use of a soil
17 conditioner (Code section 716.11).

18 CROP PRODUCTION — APPLICATION OF NUTRIENTS — BILL. The
19 bill replaces the term "soil conditioner" with "beneficial
20 substance", which is defined as a substance or compound that
21 is beneficial to one or more species of plants, soil, or
22 media. "Beneficial substance" includes a plant amendment,
23 plant biostimulant, plant inoculant, soil-amending ingredient,
24 soil-amending ingredient form, soil amendment, soil inoculant,
25 and compost. The bill changes references to the state chemist
26 to the bureau chief of the Iowa laboratory bureau (Code
27 sections 190C.22 and 200.10).

28 APPLICATION OF PESTICIDES — CERTIFICATION — BACKGROUND.
29 DALS is responsible for the administration and enforcement of
30 the "Pesticide Act of Iowa" (Code chapter 206), which in part
31 regulates the use of a pesticide by a commercial applicator,
32 public applicator, or private applicator (Code section 206.2).
33 Generally, a person acting as a commercial applicator or public
34 applicator must be certified to apply any pesticide, and a
35 person acting as a commercial applicator, public applicator,

LSB 1411HZ (2) 91

-34-

da/ns

34/38

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 or private applicator (e.g., a farmer) must be certified to
2 apply a restricted use pesticide (Code section 206.5). The
3 designation "restricted use" is determined by DALs (Code
4 section 206.20) and is generally based on a pesticide so
5 classified by the United States environmental protection agency
6 (40 C.F.R. §152.160 et seq.). DALs is required to administer
7 an educational program in cooperation with the Iowa cooperative
8 extension service in agriculture and home economics of Iowa
9 state university of science and technology. In order to be
10 certified, a person must participate in the educational program
11 by passing an examination for an initial certification and pass
12 an examination or attend instructional hours every three years
13 for the renewal of the certification (Code section 206.5).

14 APPLICATION OF PESTICIDES — CERTIFICATION — BILL. The
15 bill removes a requirement that DALs adopt by rule criteria
16 allowing a person required to be certified to complete either a
17 written or oral examination. The bill provides that DALs has
18 discretion to adopt such rules.

19 ANIMAL HEALTH — CONTROL OF INFECTIOUS OR CONTAGIOUS
20 DISEASES AFFLICTING ANIMALS — BACKGROUND. DALs is granted
21 authority to provide for the health of animals and specifically
22 the control of an infectious or contagious disease (disease)
23 afflicting livestock populations (Code chapter 163). The term
24 "control" refers to prevention, suppression, or eradication
25 efforts (Code section 163.2).

26 ANIMAL HEALTH — CONTROL OF INFECTIOUS OR CONTAGIOUS
27 DISEASES AFFLICTING ANIMALS — BILL. The bill provides that
28 DALs may determine and employ the most efficient and practical
29 means to identify and control a possible, imminent, or actual
30 threat to an animal population caused by a disease.

31 The bill provides that DALs may adopt any necessary rules
32 for the control of an infectious disease affecting animals
33 within the state by emergency rulemaking. When a statute
34 authorizes emergency rulemaking, an agency may adopt a rule
35 immediately without going through the periods of the rulemaking

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 process known as regulatory analysis (Code section 17A.4A)
2 and notice of intended action (Code section 17A.4(3)). The
3 bill requires that such emergency rulemaking be "double
4 barreled". Under the process known as double-barreled
5 rulemaking, when an agency files an emergency rule, it also
6 files the same rule as a notice of intended action that will
7 follow the regular rulemaking process. Normally, a rule
8 cannot be effective prior to 35 days after its filing with the
9 administrative rules coordinator and publication in the Iowa
10 administrative bulletin. Under emergency rulemaking, a rule
11 can be made effective on the date of filing and acceptance
12 by the administrative rules coordinator or any subsequent
13 date, as specified by the agency in the filing (Code section
14 17A.5(2)(b)(1)).

15 ANIMAL HEALTH — PRACTICE OF VETERINARY MEDICINE —
16 BACKGROUND. Veterinarians are regulated by the board of
17 veterinary medicine (veterinary board) which is responsible
18 for licensing and imposing disciplinary action, including the
19 suspension or revocation of a license for cause following a
20 notice and hearing before the veterinary board. The basis for
21 disciplinary action includes making a false representation,
22 being convicted of a felony in Iowa or another jurisdiction,
23 violating a statute or law of Iowa or another jurisdiction,
24 being subject to disciplinary action in another state,
25 assisting in the unlawful practice of veterinary medicine,
26 being adjudged as mentally incompetent, failing to conform
27 with an acceptable practice of veterinary medicine, and being
28 unable to practice veterinary medicine with reasonable skill
29 and safety (amended Code section 169.13).

30 ANIMAL HEALTH — PRACTICE OF VETERINARY MEDICINE — BILL.
31 The bill provides that, in addition to imposing disciplinary
32 action, the veterinary board may assess a civil penalty.
33 The amount of the civil penalty cannot exceed \$10,000 per
34 violation. The attorney general may initiate a claim to
35 collect a civil penalty and any amount collected must be

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 deposited in the general fund of the state.

2 ANIMAL HEALTH — COURT-ORDERED MANAGEMENT OF LIVESTOCK
3 IN IMMEDIATE NEED OF SUSTENANCE — BACKGROUND. DALS is
4 granted the authority to petition a court to conduct a hearing
5 regarding the condition of livestock. If the court determines
6 that the livestock are in immediate need of sustenance, it
7 must issue an order directing DALS to assume supervision of
8 the livestock (Code section 717.3). The order creates a
9 super-priority lien attached to the livestock, proceeds from
10 the sale of livestock, and any associated unmanufactured
11 products, for the benefit of DALS. DALS may also petition
12 a court to order the disposition of the specified livestock.
13 The proceeds from the sale of the livestock are to be used to
14 reimburse DALS according to the lien's super-priority status.
15 DALS may also utilize moneys deposited in the livestock
16 remediation fund (remediation fund) (Code section 459.501)
17 to pay for costs of providing for sustenance to livestock as
18 provided in the court order (Code section 717.4A).

19 ANIMAL HEALTH — COURT-ORDERED MANAGEMENT OF LIVESTOCK
20 IN IMMEDIATE NEED OF SUSTENANCE — BILL. The bill rewrites
21 a provision requiring DALS to repay the remediation fund
22 any proceeds that DALS receives from the disposition of the
23 livestock less expenses in providing for the sustenance and
24 disposition. The bill provides that if the court orders the
25 disposition of the livestock, the order shall be deemed as
26 acting in response to a petition by a receiver appointed by a
27 court in Code chapter 680.

28 AGRICULTURAL PROCESSING — SLAUGHTER AND PROCESSING OF MEAT
29 AND POULTRY PRODUCTS — LICENSURE — BILL. The bill provides
30 that a home food processing establishment licensed by the
31 department of inspections, appeals, and licensing is exempt
32 from DALS licensing requirements (Code chapter 137D). A home
33 food processing establishment refers to a residence in which
34 homemade food items are produced for sale, if consumption is
35 off premises and its business has gross annual sales of less

LSB 1411HZ (2) 91

-37-

da/ns

37/38

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.F. 998

1 than \$50,000 (Code section 137D.1). The bill also provides
2 that the term of a license issued by DALs to a slaughter and
3 processing establishment is extended to a two-year period (from
4 July 1, 2025, to June 30, 2027). The licensee fee is doubled
5 from \$25 to \$50 and from \$50 to \$100 to reflect the license's
6 biennial term. DALs is required to prorate the license fee
7 for a new establishment. The bill makes various changes in
8 terminology to improve readability.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House Resolution 18 - Introduced

HOUSE RESOLUTION NO. 18

BY GAINES and LOHSE

1 A Resolution honoring and congratulating the Grand View
2 University wrestling team on its historic National
3 Association of Intercollegiate Athletics wrestling
4 national championship win.

5 WHEREAS, on March 8, 2025, the Grand View Vikings
6 wrestling team won the National Association of
7 Intercollegiate Athletics (NAIA) wrestling competition
8 for a historic 13th time; and

9 WHEREAS, the Vikings finished with a total
10 team score of 209 points, 60 points ahead of the
11 second-place team and 89.5 points ahead of the
12 third-place team; and

13 WHEREAS, six Vikings were crowned as individual
14 national champions, which ties the NAIA record,
15 including Aden Reeves at 125 pounds, Carson Taylor at
16 141 pounds, Elijah Larsen at 149 pounds, Cam Robinson
17 at 165 pounds, Alex Reynolds at 174 pounds, and
18 Garavous Kouekabakilaho at 197 pounds; and

19 WHEREAS, in addition to the six national champions,
20 three other Viking wrestlers gained All-American
21 honors, including Gabe Gonzales at 125 pounds for
22 finishing second, Jackson Cockrell at 133 pounds for
23 finishing seventh, and Dylan Whitt at 165 pounds for
24 finishing fifth; and

25 WHEREAS, Alex Reynolds and Garavous Kouekabakilaho
26 helped solidify the Vikings' victory by securing
27 back-to-back individual national championship
28 titles; and

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

H.R. 18

1 WHEREAS, coach Nick Mitchell was named the 2025 NAIA
2 National Coach of the Year, his ninth such honor in his
3 17 years as the Vikings' head coach; NOW THEREFORE,
4 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That
5 the House of Representatives honors and congratulates
6 the Grand View Vikings wrestling team on its historic
7 achievements in NAIA wrestling by winning an
8 unprecedented 13th championship title in 17 years; and
9 BE IT FURTHER RESOLVED, That upon passage, the Chief
10 Clerk of the House of Representatives shall transmit
11 copies of this resolution to the Grand View Vikings
12 wrestling team head coach Nick Mitchell and Grand View
13 University President Rachelle Keck.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

Senate File 167

S-3067

1 Amend the House amendment, S-3004, to Senate File 167, as
2 passed by the Senate, as follows:

3 1. By striking page 1, line 1, through page 8, line 34, and
4 inserting:

5 <Amend Senate File 167, as passed by the Senate, as follows:

6 1. By striking everything after the enacting clause and
7 inserting:

8

<DIVISION I

9 STATE AND CATEGORICAL PERCENTS OF GROWTH AND PROPERTY TAX
10 REPLACEMENT PAYMENTS

11 Section 1. Section 257.8, subsections 1 and 2, Code 2025,
12 are amended to read as follows:

13 1. *State percent of growth.* ~~The state percent of growth for~~
14 ~~the budget year beginning July 1, 2022, is two and one-half~~
15 ~~percent.~~ The state percent of growth for the budget year
16 beginning July 1, 2023, is three percent. The state percent of
17 growth for the budget year beginning July 1, 2024, is two and
18 one-half percent. The state percent of growth for the budget
19 year beginning July 1, 2025, is two percent. The state percent
20 of growth for each subsequent budget year shall be established
21 by statute which shall be enacted within thirty days of the
22 transmission of the governor's budget required by February
23 1 under [section 8.21](#) during the regular legislative session
24 beginning in the base year.

25 2. *Categorical state percent of growth.* ~~The categorical~~
26 ~~state percent of growth for the budget year beginning July~~
27 ~~1, 2022, is two and one-half percent.~~ The categorical state
28 percent of growth for the budget year beginning July 1, 2023,
29 is three percent. The categorical state percent of growth for
30 the budget year beginning July 1, 2024, is two and one-half
31 percent. The categorical state percent of growth for the
32 budget year beginning July 1, 2025, is two percent, except for
33 calculating the appropriation to the transportation equity
34 fund under section 257.16C. The categorical state percent
35 of growth for purposes of calculating the appropriation to

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

1 the transportation equity fund under section 257.16C for the
2 budget year beginning July 1, 2025, is five percent. The
3 categorical state percent of growth for each budget year shall
4 be established by statute which shall be enacted within thirty
5 days of the transmission of the governor's budget required by
6 February 1 under [section 8.21](#) during the regular legislative
7 session beginning in the base year. The categorical state
8 percent of growth may include state percents of growth for
9 the teacher salary supplement, the professional development
10 supplement, the early intervention supplement, the teacher
11 leadership supplement, and for budget years beginning on or
12 after July 1, 2020, transportation equity aid payments under
13 section 257.16C.

14 Sec. 2. Section 257.16B, subsections 1 and 2, Code 2025, are
15 amended to read as follows:

16 1. For each fiscal year beginning on or after July 1, 2022
17 2023, there is appropriated from the general fund of the state
18 to the department of education an amount necessary to make all
19 school district property tax replacement payments under this
20 section, as calculated in [subsection 2](#).

21 ~~2. a. (1) For the budget year beginning July 1, 2022,~~
22 ~~the amount of each school district's property tax replacement~~
23 ~~payment shall be the product of the school district's weighted~~
24 ~~enrollment for the budget year multiplied by the per pupil~~
25 ~~property tax replacement amount for the budget year calculated~~
26 ~~under subparagraph (2).~~

27 ~~(2) The per pupil property tax replacement amount for the~~
28 ~~budget year beginning July 1, 2022, is equal to the sum of one~~
29 ~~hundred fifty three dollars plus the difference between the~~
30 ~~following:~~

31 ~~(a) The regular program state cost per pupil for the budget~~
32 ~~year beginning July 1, 2022, multiplied by one hundred percent~~
33 ~~less the regular program foundation base per pupil percentage~~
34 ~~pursuant to [section 257.1](#) for the budget year beginning July~~
35 ~~1, 2022.~~

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

1 ~~(b) The regular program state cost per pupil for the budget~~
2 ~~year beginning July 1, 2021, multiplied by one hundred percent~~
3 ~~less the regular program foundation base per pupil percentage~~
4 ~~pursuant to [section 257.1](#) for the budget year beginning July~~
5 ~~1, 2022.~~

6 ~~b.~~ a. (1) For the budget year beginning July 1, 2023,
7 the amount of each school district's property tax replacement
8 payment shall be the product of the school district's weighted
9 enrollment for the budget year multiplied by the per pupil
10 property tax replacement amount for the budget year calculated
11 under subparagraph (2).

12 (2) The per pupil property tax replacement amount for the
13 budget year beginning July 1, 2023, is equal to the sum of one
14 hundred fifty-three dollars plus the difference between the
15 following:

16 (a) The regular program state cost per pupil for the budget
17 year beginning July 1, 2023, multiplied by one hundred percent
18 less the regular program foundation base per pupil percentage
19 pursuant to [section 257.1](#) for the budget year beginning July
20 1, 2023.

21 (b) The regular program state cost per pupil for the budget
22 year beginning July 1, 2021, multiplied by one hundred percent
23 less the regular program foundation base per pupil percentage
24 pursuant to [section 257.1](#) for the budget year beginning July
25 1, 2023.

26 ~~e.~~ b. (1) For each the budget year beginning ~~on or after~~
27 July 1, 2024, the amount of each school district's property
28 tax replacement payment shall be the product of the school
29 district's weighted enrollment for the budget year multiplied
30 by the per pupil property tax replacement amount for the budget
31 year calculated under subparagraph (2).

32 (2) The per pupil property tax replacement amount for
33 the budget years year beginning ~~on or after~~ July 1, 2024, is
34 equal to the sum of one hundred fifty-three dollars plus the
35 difference between the following:

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

1 (a) The regular program state cost per pupil for the budget
2 year beginning July 1, 2024, multiplied by one hundred percent
3 less the regular program foundation base per pupil percentage
4 pursuant to [section 257.1](#) for the applicable budget year under
5 ~~this paragraph~~ beginning July 1, 2024.

6 (b) The regular program state cost per pupil for the budget
7 year beginning July 1, 2021, multiplied by one hundred percent
8 less the regular program foundation base per pupil percentage
9 pursuant to [section 257.1](#) for the applicable budget year under
10 ~~this paragraph~~ beginning July 1, 2024.

11 c. (1) For each budget year beginning on or after July
12 1, 2025, the amount of each school district's property
13 tax replacement payment shall be the product of the school
14 district's weighted enrollment for the budget year multiplied
15 by the per pupil property tax replacement amount for the budget
16 year calculated under subparagraph (2).

17 (2) The per pupil property tax replacement amount for budget
18 years beginning on or after July 1, 2025, is equal to the sum
19 of one hundred fifty-three dollars plus the difference between
20 the following:

21 (a) The regular program state cost per pupil for the budget
22 year beginning July 1, 2025, multiplied by one hundred percent
23 less the regular program foundation base per pupil percentage
24 pursuant to section 257.1 for the applicable budget year under
25 this paragraph.

26 (b) The regular program state cost per pupil for the budget
27 year beginning July 1, 2021, multiplied by one hundred percent
28 less the regular program foundation base per pupil percentage
29 pursuant to section 257.1 for the applicable budget year under
30 this paragraph.

31 Sec. 3. CODE SECTION 257.8 — IMPLEMENTATION. The
32 requirements of section 257.8, subsections 1 and 2, regarding
33 the enactment of bills establishing the state percent of growth
34 and the categorical state percent of growth within thirty
35 days of the transmission of the governor's budget required by

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

1 February 1 under section 8.21 during the regular legislative
2 session beginning in the base year, do not apply to this
3 division of this Act.

4 Sec. 4. EFFECTIVE DATE. This division of this Act, being
5 deemed of immediate importance, takes effect upon enactment.

6 DIVISION II

7 STATE COST PER PUPIL

8 Sec. 5. Section 257.9, subsection 2, Code 2025, is amended
9 to read as follows:

10 2. *Regular program state cost per pupil for 1992-1993 and*
11 *succeeding years.*

12 a. For the budget year beginning July 1, 1992, and
13 succeeding budget years beginning before July 1, 2018, the
14 regular program state cost per pupil for a budget year is the
15 regular program state cost per pupil for the base year plus the
16 regular program supplemental state aid for the budget year.

17 b. For the budget year beginning July 1, 2018, the regular
18 program state cost per pupil is the regular program state
19 cost per pupil for the base year plus the regular program
20 supplemental state aid for the budget year, plus five dollars.

21 c. For the budget year beginning July 1, 2019, the regular
22 program state cost per pupil is the regular program state
23 cost per pupil for the base year plus the regular program
24 supplemental state aid for the budget year, plus five dollars.

25 d. For the budget year beginning July 1, 2020, the regular
26 program state cost per pupil is the regular program state
27 cost per pupil for the base year plus the regular program
28 supplemental state aid for the budget year, plus ten dollars.

29 e. For the budget year beginning July 1, 2021, the regular
30 program state cost per pupil is the regular program state
31 cost per pupil for the base year plus the regular program
32 supplemental state aid for the budget year, plus ten dollars.

33 f. For the budget year beginning July 1, 2022, the regular
34 program state cost per pupil is the regular program state
35 cost per pupil for the base year plus the regular program

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

1 supplemental state aid for the budget year, plus five dollars.
2 *g.* For the budget ~~year~~ years beginning July 1, 2023, and
3 ~~succeeding budget years~~ July 1, 2024, the regular program state
4 cost per pupil for a budget year is the regular program state
5 cost per pupil for the base year plus the regular program
6 supplemental state aid for the budget year.

7 *h.* For the budget year beginning July 1, 2025, the regular
8 program state cost per pupil is the regular program state
9 cost per pupil for the base year plus the regular program
10 supplemental state aid for the budget year, plus five dollars.

11 *i.* For the budget year beginning July 1, 2026, and
12 succeeding budget years, the regular program state cost per
13 pupil for a budget year is the regular program state cost per
14 pupil for the base year plus the regular program supplemental
15 state aid for the budget year.

16 Sec. 6. EFFECTIVE DATE. This division of this Act, being
17 deemed of immediate importance, takes effect upon enactment.

18 DIVISION III

19 SUPPLEMENTARY WEIGHTING FOR SHARED OPERATIONAL FUNCTIONS

20 Sec. 7. Section 257.11, subsection 5, paragraph d, Code
21 2025, is amended to read as follows:

22 *d.* Supplementary weighting pursuant to [this subsection](#) shall
23 be available to a school district during the period commencing
24 with the budget year beginning July 1, 2014, through the budget
25 year beginning July 1, 2034. ~~The~~ For budget years beginning
26 prior to July 1, 2025, the maximum amount of additional
27 weighting for which a school district shall be eligible in a
28 budget year is twenty-one additional pupils; and for budget
29 years beginning on or after July 1, 2025, the maximum amount
30 of additional weighting for which a school district shall be
31 eligible in a budget year is twenty-five pupils; provided,
32 however, that for budget years beginning on or after July
33 1, 2024, the supplementary weighting assigned for a shared
34 operational function in the area of a college and career
35 transition counselor or coordinator shall not count toward this

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

1 maximum amount. Criteria for determining the qualification
2 of operational functions for supplementary weighting shall be
3 determined by the department by rule, through consideration of
4 increased student opportunities.

5 Sec. 8. EFFECTIVE DATE. This division of this Act, being
6 deemed of immediate importance, takes effect upon enactment.>

7 2. Title page, line 5, after <payments,> by inserting
8 <modifying provisions relating to the regular program state
9 cost per pupil and funding for shared operational functions,>>

LYNN EVANS

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 884

S-3068

1 Amend House File 884, as amended, passed, and reprinted by
2 the House, as follows:

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

4 <Section 1. Section 232.69, subsection 1, paragraph b,
5 subparagraph (4), Code 2025, is amended to read as follows:

6 (4) A licensed school employee, certified para-educator,
7 holder of a coaching authorization issued under section
8 256.165, chaplain employed or engaged pursuant to section
9 279.87, school employee who is eighteen years of age or older,
10 or an instructor employed by a community college.>

11 2. Page 1, by striking line 17 and inserting <district, if
12 the chaplain holds a certification from a nationally recognized
13 school chaplain professional credentialing organization that
14 satisfies all of the following requirements:>

15 3. Page 1, before line 18 by inserting:

16 <a. Requires an individual to participate in school safety
17 training as a condition of receiving certification, including
18 training related to active shooters, bloodborne pathogens, and
19 behavioral threats.

20 b. Requires an individual to participate in specialized
21 training related to the school environment as a condition of
22 receiving certification.

23 c. Requires an individual to undergo background
24 investigations as a condition of receiving certification.

25 d. Requires an individual to have at least two thousand
26 hours of verified ministerial services as a condition of
27 receiving certification.

28 e. Requires an individual to provide ecclesiastical letters
29 of endorsement as a condition of receiving certification.

30 f. Requires an individual who holds a certification from the
31 organization to satisfy continuing education requirements as a
32 condition of maintaining the certification.>

33 4. Page 1, line 19, after <establish> by inserting
34 <additional>

35 5. By renumbering as necessary.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

COMMITTEE ON EDUCATION
LYNN EVANS, CHAIRPERSON

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 516

S-3069

1 Amend House File 516, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 1, line 3, before <Adopt> by inserting <a.>

4 2. Page 1, after line 9 by inserting:

5 <b. Adopt a policy that gives priority for admission to
6 residents of Iowa who apply for the college of medicine in the
7 doctor of medicine program or the college of dentistry at the
8 state university of Iowa.

9 c. Adopt a policy requiring an application for admission to
10 the college of medicine in the doctor of medicine program or
11 the college of dentistry at the state university of Iowa, or
12 for a residency at the university of Iowa hospitals and clinics
13 to include an applicant attestation that includes all of the
14 following:

15 (1) I was born in Iowa or graduated from an Iowa high
16 school.

17 (2) I have family members or in-laws who reside in Iowa, or
18 I graduated from a public or private university, a college, or
19 a community college located in Iowa.

20 (3) I have resided in a rural community that has similar
21 characteristics to similarly sized rural Iowa communities such
22 as demographics or health disparities.

23 (4) None of the above apply to me; however, I am interested
24 in practicing in Iowa after graduation.

25 (5) None of the above apply to me; however, I am interested
26 in attending the college of medicine in the doctor of medicine
27 program or pursuing a residency at the university of Iowa
28 hospitals and clinics.

29 d. Require the state university of Iowa and the university
30 of Iowa hospitals and clinics to submit an annual report to the
31 general assembly that contains, for the immediately preceding
32 calendar year, all of the following:

33 (1) The number of applicants who are residents of Iowa
34 who were accepted to the college of medicine in the doctor of
35 medicine program.

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

1 (2) The number of applicants who are residents of Iowa who
2 were accepted to the college of dentistry.

3 (3) The number of applicants who are residents of Iowa
4 who were accepted for a residency at the university of Iowa
5 hospitals and clinics.

6 (4) The number of applicants who are residents of Iowa who
7 were not accepted to the college of medicine in the doctor of
8 medicine program, and a brief statement related to why each
9 applicant was denied.

10 (5) The number of applicants who are residents of Iowa who
11 were not accepted to the college of dentistry, and a brief
12 statement related to why each applicant was denied.

13 (6) The number of applicants who are residents of Iowa who
14 were not accepted for a residency at the university of Iowa
15 hospitals and clinics, and a brief statement related to why
16 each applicant was denied.

17 e. For purposes of this subsection, "resident of Iowa" means
18 any of the following:

19 (1) An individual who graduated from an Iowa high school.

20 (2) An individual who has lived in Iowa for at least four
21 consecutive years immediately preceding the date the individual
22 applies for admission to the college of medicine in the doctor
23 of medicine program or the college of dentistry at the state
24 university of Iowa, or for a residency at the university of
25 Iowa hospitals and clinics.>

26 3. Page 2, line 5, by striking <the state> and inserting
27 <Iowa>

28 4. Page 2, line 7, after <residents> by inserting <of Iowa>

29 5. Page 2, after line 9 by inserting:

30 <c. For purposes of this subsection, "resident of Iowa"
31 means the same as defined in section 262.9, subsection 39.>

COMMITTEE ON HEALTH AND HUMAN SERVICES

HF 516.1381 (3) 91

-2-

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2/3

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

MIKE KLIMESH, CHAIRPERSON

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 919

S-3070

1 Amend House File 919, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 3, by striking lines 22 through 24 and inserting
4 <this subsection shall be based on the following:>

5 2. Page 3, line 25, after <care,> by inserting <prospective
6 average allowable per diem costs adjusted for inflation
7 pursuant to>

8 3. Page 3, line 26, by striking <441 IAC 79.1(1)(g),
9 (h), and (i).> and inserting <the licensed entity's
10 cost-to-charge ratio, as defined by the department of health
11 and human services, with retrospectively adjusted prospective
12 reimbursements as provided in 441 IAC 79.1(1)(g).>

COMMITTEE ON HEALTH AND HUMAN SERVICES
MIKE KLIMESH, CHAIRPERSON

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 806

S-3071

- 1 Amend House File 806, as passed by the House, as follows:
2 1. Page 1, line 5, by striking <142C.1> and inserting
3 <142C.2>

COMMITTEE ON HEALTH AND HUMAN SERVICES
MIKE KLIMESH, CHAIRPERSON

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 385

S-3072

1 Amend House File 385, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 6, after line 32 by inserting:

4 <Sec. ____ . EFFECTIVE DATE. This Act takes effect January 1,
5 2026.>

6 2. Title page, line 2, after <hospital> by inserting <, and
7 including effective date provisions>

8 3. By renumbering as necessary.

COMMITTEE ON HEALTH AND HUMAN SERVICES
MIKE KLIMESH, CHAIRPERSON

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 856

S-3073

1 Amend House File 856, as amended, passed, and reprinted by
2 the House, as follows:

3 1. By striking page 6, line 21, through page 10, line 12.

4 2. Title page, line 1 and 2, by striking <and private
5 educational institutions>

COMMITTEE ON EDUCATION
LYNN EVANS, CHAIRPERSON

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

Senate File 608

S-3074

1 Amend Senate File 608 as follows:

2 1. Page 2, line 3, by striking <had paid back or is required
3 to pay back> and inserting <has paid back>

4 2. Page 9, line 2, by striking <is required to pay> and
5 inserting <has paid>

KERRY GRUENHAGEN

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 639

S-3075

1 Amend the amendment, S-3064, to House File 639, as amended,
2 passed, and reprinted by the House, as follows:

3 1. By striking page 1, line 1, through page 34, line 26.

KEVIN ALONS

S 3064.1406 (1) 91

-1-

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Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 784

S-3076

1 Amend House File 784, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 2, after line 7 by inserting:

4 <Sec. _____. Section 256E.7, subsection 2, Code 2025, is
5 amended by adding the following new paragraph:

6 NEW PARAGRAPH. *0t.* Be subject to and comply with the
7 requirements of section 280.36 relating to mathematics
8 assessments, interventions, supports, and instruction in the
9 same manner as a school district.

10 Sec. _____. Section 256F.4, subsection 2, Code 2025, is
11 amended by adding the following new paragraph:

12 NEW PARAGRAPH. *r.* Be subject to and comply with the
13 requirements of section 280.36 relating to mathematics
14 assessments, interventions, supports, and instruction in the
15 same manner as a school district.>

16 2. Page 2, line 8, by striking <279.68A> and inserting
17 <280.36>

18 3. Page 2, line 10, after <district> by inserting <and
19 accredited nonpublic school>

20 4. Page 2, line 17, after <district> by inserting <or
21 accredited nonpublic school>

22 5. Page 2, line 19, after <district> by inserting <or
23 accredited nonpublic school, as applicable,>

24 6. Page 2, line 33, after <district> by inserting <or
25 accredited nonpublic school>

26 7. By renumbering as necessary.

SARAH TRONE GARRIOTT

Iowa General Assembly
Daily Bills, Amendments and Study
Bills
April 07, 2025

House File 954

S-3077

1 Amend House File 954, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 8, line 13, by striking <An> and inserting <Except
4 as provided in paragraph "0b", an>

5 2. Page 8, after line 14 by inserting:

6 <0b. A local government election may be conducted using
7 ranked choice voting or instant runoff voting. For the
8 purposes of this paragraph, "local government" means an
9 incorporated city or town, an unincorporated city or town, a
10 county, a school, or any other political subdivision of the
11 state.>

SARAH TRONE GARRIOTT