

# **Length of Service Recognition Program Bill House File 340**

Last Action:  
House Floor  
March 14, 2023

**An Act authorizing length of service award programs for volunteer fire fighters, volunteer emergency medical care providers, and reserve peace officers, and making appropriations.**

**Fiscal Services Division  
Legislative Services Agency**

## **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available online at [www.legis.iowa.gov/publications/information/appropriationBillAnalysis](http://www.legis.iowa.gov/publications/information/appropriationBillAnalysis)

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**EXECUTIVE SUMMARY**

**LENGTH OF SERVICE RECOGNITION PROGRAM BILL**

**NEW PROGRAMS, SERVICES, OR ACTIVITIES**

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Creates a Length of Service Award Program for volunteer fire fighters, volunteer emergency medical care providers, and reserve peace officers who serve in municipalities that choose to participate in the Program.

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Creates a Length of Service Award Program Grant Fund under the control of the Department of Revenue (IDR) that will provide grants to municipalities. The grant process will provide up to a dollar-for-dollar funding match from a municipality that has established a Length of Service Award Program.

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**FUNDING FOR PROJECTS AND PROGRAMS**

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Annually transfers \$1.0 million in lottery revenue to the Length of Service Award Program Grant Fund.

Page 1, Line 1

House File 340 provides for the following changes to the Code of Iowa.

<b>Page #</b>	<b>Line #</b>	<b>Bill Section</b>	<b>Action</b>	<b>Code Section</b>
1	1	1	Add	99G.39.5A
1	8	2	New	100B.51
1	30	3	New	100B.52

1 1 Section 1. Section 99G.39, Code 2023, is amended by adding  
 1 2 the following new subsection:  
 1 3 NEW SUBSECTION 5A. One million dollars in lottery revenues  
 1 4 shall be transferred each fiscal year to the length of service  
 1 5 award program grant fund created in section 100B.52 prior to  
 1 6 deposit of the lottery revenues in the general fund pursuant  
 1 7 to section 99G.40.

Annually transfers \$1,000,000 in lottery revenue to the Length of Service Award Program Grant Fund prior to the deposit of lottery revenues to the General Fund.

1 8 Sec. 2. NEW SECTION 100B.51 LENGTH OF SERVICE AWARD  
 1 9 PROGRAMS — AUTHORIZATION.

1 10 The governing body of a municipality, as defined in section  
 1 11 100B.21, is authorized to establish a length of service award  
 1 12 program for volunteer fire fighters as defined in section  
 1 13 85.61, emergency medical care providers as defined in section  
 1 14 147A.1 who are volunteers, and reserve peace officers as  
 1 15 defined in section 80D.1A. The program shall provide length  
 1 16 of service awards, as described in section 457(e)(11) of the  
 1 17 Internal Revenue Code, to volunteer fire fighters, volunteer  
 1 18 emergency medical care providers, and reserve peace officers  
 1 19 serving a municipality that elects to establish a program. The  
 1 20 program shall be designed to treat awards from the program as  
 1 21 a tax-deferred benefit under the Internal Revenue Code. The  
 1 22 governing body of the municipality shall, in consultation with  
 1 23 the chief or other person in command of the fire department  
 1 24 and police department serving the municipality, as applicable,  
 1 25 adopt guidelines providing for eligibility requirements for  
 1 26 participation by volunteer fire fighters, volunteer emergency  
 1 27 medical care providers, and reserve peace officers, minimum  
 1 28 vesting requirements, distribution requirements, and such other  
 1 29 guidelines as deemed necessary to operate the program.

Creates a Length of Service Award Program for volunteer fire fighters, volunteer emergency medical care providers, and reserve peace officers who serve municipalities that choose to participate in the Program. Awards are designed to be a tax-deferred benefit under the Internal Revenue Code. Each municipality that chooses to participate in the Program will adopt guidelines defining eligibility, vesting, and distribution requirements.

1 30 Sec. 3. NEW SECTION 100B.52 LENGTH OF SERVICE AWARD  
 1 31 PROGRAM GRANT FUND — APPROPRIATION.

1 32 1. A length of service award program grant fund is created  
 1 33 in the state treasury under the control of the department of  
 1 34 revenue. The fund shall consist of all moneys appropriated to  
 1 35 the fund.

Creates a Length of Service Award Program Grant Fund under the control of the Department of Revenue (IDR). Moneys in the Fund will consist of all moneys appropriated to the Fund.

**FISCAL IMPACT:** The Bill will transfer \$1.0 million annually from the General Fund to the Length of Service Award Program Grant Fund. Additionally, there would be an increase in cost to the IDR of \$25,000 and 0.3 full-time equivalent (FTE) position in FY 2024, and \$10,000 and 0.1 FTE position each year thereafter, to administer the program.

2 1 2. Moneys in the length of service award program grant fund  
2 2 are appropriated to the department of revenue for the purpose  
2 3 of providing grants to municipalities that have established  
2 4 a length of service award program as described in section  
2 5 100B.51 to provide contributions to the program on behalf  
2 6 of participants in the program. The department of revenue  
2 7 shall adopt rules pursuant to chapter 17A establishing a grant  
2 8 application process. The grant process shall provide for up  
2 9 to a dollar-for-dollar funding match from a municipality that  
2 10 has established a length of service award program. The grant  
2 11 process shall allow a municipality to use moneys received to  
2 12 fund the program from gifts, devises, bequests, or any other  
2 13 source for purposes of providing the funding match required by  
2 14 this subsection.

2 15 3. Notwithstanding section 12C.7, subsection 2, interest or  
2 16 earnings on moneys deposited in the fund shall be credited to  
2 17 the fund. Notwithstanding section 8.33, moneys credited to the  
2 18 fund shall not revert at the close of a fiscal year.

Appropriates moneys in the Length of Service Award Program Grant Fund to the Department of Revenue to provide grants to municipalities. Requires the Department to adopt rules establishing a grant application process. Requires the administrative rules to provide for up to a dollar-for-dollar funding match from a municipality that has established a Length of Service Award Program. Requires the grant process to allow municipalities to use moneys received to fund the Program from gifts, devises, bequests, and other sources for providing the funding match.

Requires interest earned on moneys in the Fund to remain in the Fund and permits funds remaining at the close of the fiscal year to remain in the Fund.