



85th General Assembly

End of Session Committee Highlights

April 30, 2014

Prepared by
House Democratic Research Staff

Agriculture

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2014

CORN CHECK-OFF

Authorizes Iowa's corn check-off to increase over time, to a maximum of 3¢ per bushel after September 1, 2019. The check-off would only increase if corn growers vote for an increase through a referendum. The check-off is currently capped at 1¢ per bushel. An Iowa Corn Check-off Task Force is also established to study the development and implementation of a system that allows producers to cast mail ballots during a special referendum and provide an increase in refund awareness with first purchasers of corn.

(HF 2427; signed, effective 7/1/14)

DRAINAGE DISTRICT MERGERS

Creates a path for existing drainage district mergers, annexation of land, bidding procedures, and providing limited liability. There are hearings, notifications, and numerous opportunities for landowners to participate. The bill came from the Iowa Drainage District Association. The association believes the bill will go far in allowing western Iowa to rebuild its drainage infrastructure that was destroyed by the Missouri River flood of 2011. Iowa law does not currently provide for the mergers of existing drainage districts.

(HF 2344; signed, effective 7/1/14)

DRAINAGE DISTRICT TRUSTEES

Expands the eligible persons who can serve as an elected trustee of a drainage district. This is not dealing with county supervisors acting as trustees due to their elected office but deals with individuals elected to be trustees. The bill came from the Iowa Drainage District Association.

(SF 2273; signed, effective 7/1/14)

DRAINAGE DISTRICT FINANCING

Increases the amount eligible to be paid in a single warrant from \$1,000 to \$5,000. This will enable the auditors to write fewer warrants and yet continue to allow warrants to be written in a timely, yet efficient manner. Over the years the costs of contractor work has increased and this law has not been addressed since the chapter was written. The bill came from the Iowa Drainage District Association.

(SF 2191; signed, effective 7/1/14)

BEGINNING FARMER TAX CREDIT

Current law says a beginning farmer tax credit, or the custom farming contract tax credit, in excess of the taxpayer's liability on their income taxes may be credited to their tax liability for the following five years or until depleted, whichever is earlier. The bill changes this to 10 years. This allows the tax credit to carryover for 10 years.

(HF 2454; to Governor)

Appropriations

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2014

OVERVIEW OF THE STATE BUDGET

Iowa's economy keeps moving forward with stable growth. The state budget is in the best condition it's ever been, with the state reserve funds filled and surplus revenues providing an additional cushion. The budget for next year provides funding for many of the commitments that were made last session with property tax relief, growth in K-12 school aid, and education reform, as well as providing modest increases to the rest of the budget. The Legislature also uses part of the surplus to pay down state debts. The State general fund budget is anticipated to expend \$6.9 billion in FY 2015, an increase of \$460 million.

ADMINISTRATION AND REGULATION BUDGET

The Administration and Regulation Appropriations Budget covers 14 departments, agencies, and offices. The bill appropriates a total of \$51.8 million for FY 15. This is a decrease of \$1 million compared to estimated net FY 14. The bill provides an increase of \$30,000 for the State Auditor to provide for increases in base salaries as an effort to be more competitive when recruiting staff. The Ethics and Campaign Disclosure Office will receive an additional \$60,000 and one FTE to conduct more audits of the campaign finance reports. The increase in funding comes from the Department of Administrative Services (DAS) utilities payments, following the demolition of the Iowa Building, in the amount of \$90,000. The \$1 million decrease is due to the Iowa Telecommunications and Technology Commission moving to the education budget for FY 15. Finally, the legislation includes a requirement of insurance companies that sell life insurance policies, but not including preneed policies, to follow a procedure to determine if any policy holders match up to a death master file.

(SF 2342; to Governor)

AGRICULTURE AND NATURAL RESOURCES BUDGET

House File 2458 appropriates a total of \$43.1 million from the general fund, which is an increase of approximately \$2.29 million from FY 14. Of this total, approximately \$22.5 million is appropriated to the Department of Agriculture and Land Stewardship (IDALS). This is an increase of approximately \$2 million from FY 2014. The bill appropriates approximately \$15.3 million to the Department of Natural Resources (DNR), an increase of \$250,000 from FY 14. The bill appropriates \$4 million to the board of Regents for the ISU Veterinary Diagnostic Lab and \$1.325 million for the Iowa Nutrient Research Center. This is an increase of approximately \$200,000 for the diagnostic lab from FY 14 and a decrease of \$175,000 for the Nutrient Research Center. The bill appropriates \$42 million from the Environment First Fund (EFF), including \$16 million for REAP. This is status quo from FY 14.

(HF 2458; to Governor)

ECONOMIC DEVELOPMENT BUDGET

House File 2460 appropriates \$42.5 million from the general fund, an increase of \$1.2 million over FY 14. The legislation also appropriates \$33.6 million from other funds, an increase of \$1.75 million over FY 14. The Department of Cultural Affairs, the Public Employment Relations Board, and the Iowa Finance Authority all receive status quo funding. The Economic Development Authority sees an increase of \$1 million for a new STEM internship program; the Regents

see an increase of \$101,000 for additional support for Small Business Development Centers, and Iowa Workforce Development receives an increase of \$74,000 for an additional FTE in their offender re-entry program. The Economic Development Budget also improves and streamlines the states job training programs, creating a new Apprenticeship program which will receive \$3 million. (HF 2460; to Governor)

EDUCATION BUDGET

The Education budget spends \$986.1 million in FY 15 from the general fund, an increase of \$87.2 million compared to FY 14. The bill contains a \$252,000 increase to the Department for the Blind that includes an increase to the Newline for the blind. Moneys to the Iowa Tuition Grant program non-profit colleges are increased by \$1.4 million.

Funding is provided to the Department of Education for a reading Early Warning System assessment, and a portion for anti-bullying prevention programs. There is new appropriation of \$1 million for Area Education Agencies to support schools in developing teacher and administrator leadership positions. The bill includes a \$50 million for Teacher Leadership grants to expand teacher roles and deliver technical assistance. There is an increase of \$8 million for community college general aid for a total of \$201 million. The bill also includes \$500,000 for English Language Learners grant Program to school districts.

Vocational Rehabilitation funding is increased by \$865,000. This will reduce the waiting list and draw down \$21.8 million in federal funds, but not the full amount. This will also help assist disabled Medicaid patients not covered in the Department of Human Services budget. Funding to the division includes a \$50,000 increase for grants to assist with individual needs and another \$50,000 increase to the Independent living centers.

The Agricultural Experiment Station at Iowa State University is increased by \$1.8 million. General line items at all Regent institutions and specialty schools are increased by 4% and an additional \$2.65 million is provided to the University of Northern Iowa (UNI). This is enough that the Regent Universities will maintain a tuition freeze, but was still under the additional \$4.4 million requested by UNI. (SF 2347 to Governor)

HEALTH AND HUMAN SERVICES BUDGET

Provides funding for the Departments of Human Services, Public Health, Aging, Veterans Affairs, as well as the Iowa Veterans Home. The bill appropriates a total of \$1.858 billion. This is an increase of over \$107.4 million compared to FY 14. However, most of the funding went to the requirement to replace the loss of federal matching funds for Medicaid, The other changes in the bill are focused on elderly services, child care assistance, and county mental health funding. The bill does not re-establish the Iowa Juvenile Home in Toledo for delinquent girls, which the Governor closed in January. (HF 2463; to Governor)

INFRASTRUCTURE AND CAPITALS BUDGET

A total of \$182.4 million from the Rebuild Iowa Infrastructure Fund (including prior year appropriations) is appropriated for FY 15 for infrastructure and technology related projects. Projects funded include National Guard armories and readiness centers, Gold Star Museum, Grout Museum/Sullivan Brothers Iowa Veterans Museum, lakes restoration, water and recreational trails, county fairs, community attractions and tourism grants, major maintenance and repairs to state office buildings, Iowa great places program, Good Earth State Park at

Blood Run, Iowa Parks Foundation, University of Iowa Pharmacy Building, Iowa State University Biosciences Building, University of Northern Iowa Schindler Education Center, regional sports authorities, nursing home facility improvements, freight rail and rail spurs, public transit, aviation infrastructure, mass notification and emergency messaging system, technology consolidation projects, Iowa Communication Network equipment replacement and lease costs, and Iowa Public Television equipment replacement. (SF 2349; to Governor)

JUDICIAL BRANCH BUDGET

Appropriates a total of \$174 million to the Judicial Branch, which represents an increase of close to \$7 million compared to FY 2014. This increase will allow the Judicial Branch to continue to work on their goals and on-going priorities such as electronic data management system, family treatment courts, and juvenile cases. (HF 2449; to Governor)

JUSTICE SYSTEMS BUDGET

Appropriates a total of \$570 million from the general fund and other funds, which represents an increase of \$9 million compared to the FY 14 appropriation. Some of the most significant increases are \$5 million for the State Patrol, \$4 million for the Department of Corrections, and close to a \$220,000 increase for legal services poverty grants. Language is also added that it's the intent of the General Assembly that the Department of Corrections hire more correctional officers and that community based corrections continue to operate drug courts. (HF 2450; to Governor)

TRANSPORTATION BUDGET

The bill is funded at the Governor's recommended level of \$358.2 million for the Department of Transportation's FY 15 operations, infrastructure, and capital projects budget. This breaks down to \$310.2 million from the Primary Road Fund and \$48 million from the Road Use Tax Fund. This is an increase of \$5.4 million from FY 14. The bill also provides a \$7.8 million FY 14 supplemental appropriation for DOT to replenish their road salt supply and \$200,000 for DOT to establish educational programs about the dangers and consequences of driving while distracted. These are non-general fund dollars that are constitutionally protected to be used only for roads, bridges, highway, and other transportation related activities. (SF 2130; to Governor)

**STANDINGS AND
MISCELLANEOUS PROVISIONS**

The bill makes adjustments to standing appropriations in current law, addresses several miscellaneous policy issues, and a number of truly corrective Code editor fixes due to legislative action that has occurred this session. The statutory standing appropriations, and those in the bill, are estimated to appropriate \$3.2 billion in FY 15. The major components of funding are for K-12 schools and for property tax credits and to supplement local government budgets for revenues lost due to reduced commercial property assessments. (HF 2473, to Governor)

**ONE-TIME PROJECTS/DEBT
REDUCTION**

The bill transfers \$60 million from the Economic Emergency Fund to the State Bond Repayment Fund and allows the State Treasurer to utilize \$28.8 million already in the fund, and Vision Iowa debt service funds and interest earnings, for the defeasance of the Vision Iowa bonds. This frees up \$15 million annually in state wagering taxes that had been dedicated to bond repayment and places it in the Rebuild Iowa Infrastructure Fund. The bill also appropriates \$79.8 million from the general fund for FY 14 for numerous one-time funded projects throughout the state. (SF 2363, to Governor)

Commerce

E-CIGARETTES	Prohibits vapor products and alternative nicotine products from being sold to persons under 18 years of age, and prohibits those under 18 years to possess, attempt to purchase or purchase these products. Requires retailers of these products to get the proper permit or license to sell these products, and these products cannot be given away to anyone under the age of 18 years, and within 500 feet of any playground, school, or high school. Vapor products include products that may or may not contain nicotine. [HF 2109; to Governor]
PHARMACY BENEFIT MANAGERS	Gives the Insurance Division clear authority to ask pharmacy benefit managers to submit information regarding their price methodology use to reimburse pharmacies. Requires the managers to include language in a contract with a pharmacy that will allow the pharmacy to comment on, contest, or appeal the reimbursement rate. [HF 2297; signed, effective 7/1/14]
IOWA'S ONE CALL SYSTEM	Requires the operator of an underground facility to report to the notification center when markings are completed, and the notification center is required to report to the excavator as to whether all operators reported to the notification or not. Operators that determine that they do not have any facilities in a proposed excavation area are required to report that determination to the notification center. Requires excavators to use at least one of the following: white paint, white flags, or white stakes unless limited exceptions apply. [HF 2408; signed, effective 7/1/14]
PAWN SHOPS REQUIRED TO RETURN STOLEN MERCHANDISE	Sets up a procedure for a person to follow if their property was stolen and turns up at a pawn shop. Notification to the pawn shop must include the police report on the property, and both parties have 10 days from the date the pawn-broker received the letter to resolve the issue. If the issue cannot be resolved after 10 days, the person may file a claim in small claims court. [HF 514; signed, effective 7/1/14]
UTILITIES AND REAL ESTATE	Gives utilities another option when filing/recording a memorandum of a mortgage or deed of a trust in counties where property is located. The option is to have the utility to record the mortgage or deed in at least one county and in every other county the utility must file a document which contains at least five required pieces of information. [HF 2131; signed, effective 7/1/14]
CIVIL LIABILITY IMMUNITY FOR ARCHITECTS & ENGINEERS	Defines architects and engineers as state employees when they are acting at the request and under the direction of the commissioner of the Department of Public Safety and in coordination with the local emergency management commission. This way they are covered under the immunity law of state employees. [SF 2255; signed, effective 7/1/14]
INSURANCE DIVISION OMNIBUS BILL	Makes changes to the duties and responsibilities of the Insurance Division including extending from one year to two years the ability for the Division to look back for disciplinary actions, and setting up regulations to allow for the elec-

tronic posting and delivery of insurance policies and forms if chosen by the customer. [SF 2105; signed, effective 7/1/14]

**UNCLAIMED/UNUSED GIFT
CERTIFICATES**

No longer requires businesses to report to the State Treasurer as unclaimed property unclaimed/unused gift certificates that do not have an expiration date, do not have fees, or any other charges. [HF 2296; signed, effective 7/1/14]

**MORTGAGE AND CONSUMER
CREDIT TRANSACTIONS**

Allows mortgage lenders to choose to follow federal law if a mortgage loan falls within certain parameters. Increases the monetary jurisdictional limit of the Iowa Consumer Credit Code to match federal truth in lending law limits and will be annually indexed to inflation. Amends the definition of "finance charge" to state that it does not include a charge by a financial institution for insufficient funds or for overdrafts. [HF 2324; signed, effective 7/1/14]

**TELECOMMUNICATIONS
REGULATIONS**

Updates Iowa law and regulation of telecommunications under the Iowa Utilities Board by eliminating outdated language dated back to when Iowa deregulated telecommunication. [SF 2195; to Governor]

OTHER BILLS OF INTEREST

- HF 2130 Division of Banking omnibus bill. [signed, effective 7/1/14]
- HF 2370 Requires that patient care services related to orthotics, prosthetics, and pedorthotics be provided under the supervision of a licensed orthotist or licensed prosthetist. [signed, effective 7/1/14]
- SF 2131 Requires insurance companies to follow a different formula for reserves for their life insurance policies known as standard valuation law. [signed, effective 7/1/14]
- SF 2133 Makes changes to Iowa law to match federal law concerning a federal home loan bank that has been established under federal law. [signed, effective 7/1/14]
- SF 2205 Credit Union Division omnibus bill. [signed, various effective dates]
- SF 2104 Makes changes to the Holding Company statute as modeled after the National Association of Insurance Commissioners language. [signed, effective 7/1/14]

Economic Growth

IOWA HOUSE OF REPRESENTATIVES

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BROWNFIELD GRAYFIELD TAX CREDITS

SF 2339 allows public building to be eligible under the Redevelopment Tax Credit Program. An abandoned public building is a building constructed by a city, county, township or school board for public use and is vacant, blighted, obsolete, or an otherwise underutilized property. SF 2339 also makes tax credits refundable for nonprofits and changes the program from first come first serve to a program where awards come from the Economic Development Authority based on project readiness and effectiveness.

(HF 2455; signed; effective 7-1-14)

ENTERPRISE ZONE REDESIGN

HF 2448 moves away from the site by site Enterprise Zone designation by increasing the number of distressed counties under the High Quality Jobs Program and adding brownfield and grayfield designations to the program. The number of counties eligible under the economically distressed criteria from 25 to 33. If a county is in the bottom 33 of counties in average unemployment for the last 12 months or average unemployment for the last five years it would qualify as distressed. HF 2448 also modifies Workforce Housing Credits. The Enterprise Zone Program currently provides credits to eligible housing projects in enterprise zones. The new program is available statewide if the projects meet one of the following criteria: Repair of dilapidated housing; on a brownfield or grayfield site; is an upper story project; or new construction in a community with a workforce housing need.

(HF 2448; to Governor)

HISTORIC TAX CREDITS

HF 2453 changes the Historic Preservation and Cultural and Entertainment District Tax Credit from a lottery based award system to a scoring system based on project readiness, rules based program. The legislation also allows unclaimed credits to be awarded to different projects.

(HF 2453; to Governor)

INFRASTRUCTURE FUND

SF 2359 makes changes to investment tax credits, allowing a taxpayer making a capital investment in a qualifying business to claim an investment tax credit the year it is received. Currently, an investor must wait three years to redeem the credit. The legislation also adds a provision to the Targeted Small Business program that allows the Economic Development Authority to partner with one or more private sector entities to implement an initiative designed to increase the number of female entrepreneurs in the state. The bill also creates a new infrastructure fund under the control of the Economic Development Authority. The fund will be used for strategic infrastructure investments for new or existing businesses and uses the \$7 million remaining in the Grow Iowa Values Fund (that includes funds currently available and all future expected repayments) to fund the program. The bill also allows transfer of funds to and out of the infrastructure fund.

(SF 2359; to Governor)

OTHER BILLS OF INTEREST

- HF 2192 Agreements between rural and municipal water associations (signed, effective 7-1-14)
- SF 2328 Moves the Agriculture Development Authority code sections to under the Iowa Finance Authority code sections (signed, effective 7-1-14)
- SF 2206 Moves Iowa Finance Authority (IFA) yearly project bond cap to \$50 million (signed, effective 7-1-14)

Education

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OPERATIONAL SHARING

After implementation problems and cost concerns to last year's bill, legislation this year allows the operational sharing program to continue with a few changes. Program positions would receive a set additional weighting per function. Positions of school administration manager, social worker, school nurse, and school librarian are removed from the sharing program. Allows persons with different shared functions to receive weighting and removes the requirement to prove cost savings to the Department of Education (DE).

(HF 2271; signed, effective 3/26/14)

PROFESSIONAL DEVELOPMENT ON READING INCLUDING DYSLEXIA

Professional development for training of teachers in reading is created. The bill specifies that this will include training on dyslexia and adds a definition of dyslexia in statute for the first time. In addition to the Area Education Agencies, the reading research center will have to collaborate with DE in providing professional development (funding is contained in the education budget).

(SF 2347; to Governor; SF 2319; signed, effective 7/1/14)

INSTRUCTIONAL TIME TECHNICAL CHANGE

Technical changes are made to the education reform bill from last year that allows instructional time in schools to be counted by days or hours. The bill defines a school day as six hours (1,080 hours total) but clarifies that a district may have fewer hours on any given day in certain instances. The bill also grants non-public schools the ability to seek a waiver on the start date, just like public schools.

(HF 2170; signed, effective 7/1/14)

FOSTER CARE STUDENT CREDIT TRANSFER

Per the recommendations of the taskforce report, Area Education Agencies are encouraged to provide a child welfare liaison to assist with the guidance of a student in foster care in enrollment transition and receiving proper class credit for courses taken. Such children would be adjudicated and under the jurisdiction of the court. The bill establishes a uniform procedure for transferring students receiving class credit.

(HF 2388; signed, effective 7/1/14)

WHOLE GRADE SHARING EXTENDED

School districts ability to establish a whole grade sharing agreement with another district is extended until 2019. Districts would be eligible for supplemental weighting for up to three years. Also, school districts affected by the reorganization or the school districts with 600 pupils or greater that dissolved or reorganized into one or more school districts, may receive state funding through supplemental weighting. School districts can no longer receive supplemental weighting through an agreement with a regional academy.

(SF 2056; signed, effective 7/1/14)

STUDENT AND TEACHER RELATIONSHIP 90-DAY DELAY RULE CODIFIED

A current rule that prevents a licensed school employee from soliciting, encouraging, consummating a romantic relationship, or committing sexual conduct with a student within 90-days of graduation, is codified. Such conduct may result in disciplinary action by the Board of Educational Examiners.

(HF 2389; signed, effective 7/1/14)

**COLLEGE STUDENT AID
COMMISSION STATE
AUTHORIZATION RECIPROCITY
AGREEMENTS (SARA)**

The College Student Aid Commission is allowed to develop reciprocity agreements with other states. Involves on-line distant learning, and promotes efficiencies with Regents institutions, community colleges, and private colleges. The bill addresses student protection concerns brought by the Attorney General.

(SF 2271; signed, effective 7/1/14)

EARLY RETIREMENT INCENTIVES

A school district is allowed to adopt a program for continuation of health insurance or other incentives for school employees to retire early, and may use their management levy to pay for the costs. Current law limits early retirement incentives to ages 55-65, but if someone works longer than 65, they would be ineligible for incentives. The bill changes the language to 55 and older, and is retroactive to the start of fiscal year 2014 to allow some affected school districts to use their management levy to cover the cost of the incentives. This does not change or affect any IPERS benefits.

(SF 220; signed, effective 4/3/14 and applies retroactively to 7/1/13)

OTHER BILLS OF INTEREST

- SF 366 School Radon Reporting (See Local Government) (signed, effective 7/1/14)
- SF 2230 Department of Education Technical Clean-up Bill (signed, effective 7/1/14)
- SF 2257 College Student Aid Commission Technical Clean-up Bill (signed, effective 7/1/14)

Environmental Protection

IOWA HOUSE OF REPRESENTATIVES

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**LAND DISPOSAL OF YARD
WASTE FROM STORM DAMAGE
OR INVASIVE TREE PESTS**

Allows for the landfill disposal of yard waste associated with storm damage in connection with a presidentially or governor declared disaster area or when the yard waste is collected for disposal to control, eradicate, or prevent the spread of insect pests, tree and plant diseases, or invasive plant species problems. This will allow for the landfill disposal of waste associated with the spread of the Emerald Ash Borer in the event there is no other suitable disposal method available. The bill is effective upon enactment.

(SF 2212; signed, effective 4/3/14)

DNR CONDITIONAL PERMITS

Eliminates the ability of DNR to issue, and electric power generating facilities' ability to obtain, certain conditional permits related to air and water quality. The bill reflects the current air permitting program. It is a technical, Code cleanup bill that removes obsolete language.

(SF 2197; signed, effective 7/1/14)

Human Resources

IOWA HOUSE OF REPRESENTATIVES

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CONSUMER-DIRECTED ATTENDANT CARE

Current individual consumer-directed attendant care (CDAC) providers, who are also guardians, can continue to provide services until July of 2016 when the Department of Human Services may require agency based CDAC providers. After July of 2016, limitations are set for individual CDAC providers and Community Choice Option (CCO) who are also guardians of those receiving services. (SF 2320; signed; effective 4/3/14)

MILLER TRUST ELIGIBILITY

Eligibility for the Miller Trust is increased by 25%. The Miller Trust allows for qualifying individuals to pay for Medicaid coverage for nursing home care that is not eligible for Medicaid coverage. (HF 2159; signed; effective 7/1/14)

ADOPTION INVESTIGATIONS

Current practice regarding pre-placement adoption investigations and post-placement adoption reviews is codified. (SF 2276; signed; effective 7/1/14)

PRESCRIPTION DRUG INFORMATION EXCHANGE

The Board of Pharmacy is allowed to enter into an agreement with neighboring states about a prescription database or monitoring program. The information exchange must follow all state laws and is reciprocal. (SF 2080; signed; effective 7/1/14)

NURSES IDENTIFICATION

Allows for the professional use of acronyms, as appropriate, for various levels of licensed nurses; specifically advanced registered nurse practitioners. (SF 2120; signed; effective 7/1/14)

PROVISIONAL PSYCHOLOGY LICENSE

A provisional license in psychology is created for individuals who have a doctorate in psychology but have not met the other requirements. The provisional license is good for up to two years and may be renewed. (HF 2378; signed; effective 7/1/14)

CRISIS STABILIZATION PROGRAMS

The Department of Human Services (DHS) will develop new accreditation and certification standards for crisis stabilization programs. However, DHS can accept existing accreditation of crisis stabilization programs by a national accreditation organization of crisis stabilization programs instead of applying the newly develop standards. (HF 2379; signed; effective 7/1/14)

DIETETIC LICENSURE REQUIREMENTS

Licensure requirements are updated for dietetics, including changing the name of the American Dietetic Association to the Academy of Nutrition and Dietetics. (SF 2083; signed; effective 7/1/2014)

IDPH OMNIBUS BILL

The Iowa Code under the purview of the Iowa Department of Public Health is updated regarding training on blood-borne pathogens; the Healthcare Workforce Support Initiative; licenses and inspections of salons, barber shops, and funeral homes; eliminating a sheet metal master license; and the membership to the Iowa Board of Medicine. (SF 2196; signed; to Governor)

ADULT DAY SERVICES

New criteria for admission and retention of clients for adult day services is established. (SF 2193; signed; effective 7/1/2014)

Judiciary

HUMAN TRAFFICKING

Requires an annual report by the Iowa Law Enforcement Academy on human trafficking training, creates a \$1,000 surcharge for human trafficking offenses to go to the Human Trafficking Victims Fund, expands the nonexclusive list of methods of enticement, allows a minor found to be a prostitute to be referred to DHS as a child in need of assistance (CINA), creates a process to expunge the record of a juvenile found to be a prostitute, increases the penalty for “johns” and “pimps” of prostitutes that are under the age of 18, extends the statute of limitations for certain sexual offenses committed against children, and allows the use of wiretaps to pursue human trafficking cases.

(SF 2311; to Governor)

**SEXUALLY VIOLENT PREDATORS
- COMMITMENT**

Allows a juvenile adjudication to be considered a conviction for a civil commitment of a sexually violent predator.

(SF 2211; signed, effective 7-1-14)

**SEXUAL EXPLOITATION -
COACHES**

Clarifies the definition of school employee includes a coach. This change was needed because of a recent Supreme Court case that found that certain coaches in Iowa were not covered by the laws prohibiting sexual contact with students that cover teachers and other licensed educational professionals.

(HF 2474; to Governor)

ELDER ABUSE

Allows a “vulnerable elder” to receive a protective order. An order can be issued if an elder has been physically injured, neglected, financially exploited, sexually abused, or been similarly injured. A protective order may last up to a year, but an order may be extended. A court may require an abuser to move out of the residence of a vulnerable elder, restrict the abuser from entering the residence of the elder, that the abuser not exercise any power on behalf of the elder, or restrain the abuser from abusing, intimidating, molesting, interfering with, or menacing the elder. The court may also seek any other relief the court finds necessary to protect the safety and welfare of the vulnerable elder. A court may, if justice requires, appoint a guardian for a vulnerable elder.

(SF 2239; to Governor)

**CONTAGIOUS DISEASE
TRANSMISSION**

Creates a new Code Chapter called the “Contagious or Infectious Disease Transmission Act” and repeals “Criminal Transmission of Human Immunodeficiency Virus.” A contagious or infectious disease includes hepatitis, meningococcal disease, AIDS or HIV, or tuberculosis. New criminal penalties are created for transmitting these disease, with penalties depending on the intent of the person of the contagious disease and the outcome of the exposure, and penalties ranging from a Class “B” felony to a serious misdemeanor. The bill also creates several new defenses to this criminal transmission, such as if a person takes practical means to prevent transmission. The bill also removes criminal transmission of HIV as an aggravated offense under the Sex Offender Registry.

(SF 2297; to Governor)

UNIFORM POWER OF ATTORNEY	Implements the Uniform Power of Attorney Act. The Uniform Power of Attorney Act was published by the National Conference of Commissioners on Uniform State Laws in 2006. The bill provides standards for creating and using a power of attorney, including how to create the power of attorney, the duties imposed on agents of a power of attorney, and forms for creating a power of attorney. These standards provide default protections for anyone seeking to utilize a power of attorney. (SF 2168; signed, effective 7-1-14)
TRANSFER OF GUARDIANSHIP IN A CHILD IN NEED OF ASSISTANCE	Allows a transfer of guardianship of a child in a child in need of assistance proceeding to someone that qualifies as a custodian if the person has assumed responsibility for the child before the filing of the child in need of assistance petition and the parent of the child does not object. (HF 2421; signed, effective 7-1-14)
PETS INCLUDED IN DOMESTIC ABUSE PROTECTIVE ORDERS	Allows a person filing a domestic abuse protective order to include the name or description of any pet or companion animal to also be protected by the order. The court may grant the petitioner the exclusive care, possession or control of any pets or companion animals, or may forbid a respondent from abusing a pet or companion animal. (SF 2118; to Governor)

OTHER BILLS OF INTEREST

HF 2132	Creates the Gideon Fellowship Program for entry level attorneys in the state public defender's office. (signed, effective 7-1-14)
HF 2278	Clarifies data protection requirements for users of a regional transit district and restricts disclosure of this information. (signed, effective 7-1-14)
HF 2325	Updates the "Iowa Business Corporation Act." (signed, effective 7-1-14)
HF 2326	Changes indigent defense payments by the state public defender. (signed, various effective dates)
HF 2423	Substantive Code Editor's Bill. (signed, various effective dates)
HF 2387	Requires a sheriff to send notice of a garnishment within seven days after execution is served on the garnishee by personal service or restricted certified mail and also by first class mail. (signed, effective 7-1-14)
SF 2091	Changes the default presumption that a conveyance of property to married individuals is a joint tenancy with rights of survivorship. (signed, effective 1-1-15)
SF 2092	Clarifies the definition of a fraudulent practice so that a first degree offense can include both property or services. (signed, effective 7-1-14)
SF 2169	Allows for self-proving wills of wills that were executed previous to the existence of self-proving wills, expands the availability of distribution of property by affidavit of a decedent, and clarifies the duties of a temporary administrator of an estate. (signed, effective 7-1-14)
SF 2200	Changes provisions related to voting trusts of corporations and provides additional flexibility for delivery of financial statements to shareholders. (signed, effective 7-1-14)
SF 2312	Clarifies the Rule Against Perpetuities in application to horizontal property regimes and multiple housing cooperatives. (signed, effective 7-1-14)
SF 2313	Allows a clerk of court to be removed from office for cause by the chief judge of the judicial district, after consultation with the district judges of the judicial election district. (signed, effective 7-1-14)
SF 2315	Clarifies "use restrictions" on land relating to homeowners agreements and negative easements. (signed, effective 7-1-14)

Labor

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2014

The House Labor Committee had a slow 2014 session, failing to bring forward the Senate's wage theft bill (SF 2295) or the House Democrats minimum wage bill (HF 2011).

SHARED WORK FEDERAL CONFORMITY

House File 2199 conforms the states voluntary shared work program with the requirements of the federal Middle Class Tax Relief and Job Creation Act of 2012. Currently, the program only applies to temporary layoffs and full-time employees. The legislation strikes these limitations.

(HF 2199; signed; effective 7-1-14)

ELECTRONIC FILING TO PERB

Makes changes to Public Employment Relations Board (PERB) requirements allowing for electronic filing.

(HF 2172; signed; effective 7-1-14)

Local Government

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2014

**CITY UTILITY DELINQUENT
ACCOUNTS ON WASTE WATER
AND SEWER**

A public utility would be allowed to enter an agreement with a city to discontinue wastewater, sewer system, and storm water drainage system if the account becomes delinquent as long it follows proper disconnect procedures prescribed by law. The city may also file suit against the customer if the account becomes delinquent. The bill only covers cities served by Iowa American Water in the Clinton and Davenport areas. Agreements entered into will not negate obligations of a city utility, and it will be subject to rules for disconnection of water service under the Iowa Utilities Board.

(HF 2183; signed, effective 7/1/14)

**TREASURERS' TECHNICAL
CORRECTIONS BILL**

Current law allows a sold vehicle fee credit to be granted to the owner of the vehicle. The bill allows that the credit for that portion of the vehicle registration fee, which had not expired if the vehicle were traded, in addition to current law of transferred, sold or junked, prior to transfer of ownership. Using the DOT statute definition of vehicle, the bill provides that a rented trailer registration is exempt from sales tax, and authorizes a county treasurer to destroy assessment records of a drainage district after 10 years to those records in existence on, before, or after July 1, 2014.

(HF 2273; to Governor)

SCHOOL RADON REPORTING

Requires the Department of Education to notify each school district and private schools of the risks of radon gas including related data, information on sources of funding available for radon testing and mitigation, and encourages them to implement a mitigation plan. By December 1, 2014, school districts and private schools will have to report to the department if they have a radon testing and mitigation plan in place. If they do not have a plan in place, they need to indicate if they have any plans on implementing a radon testing and mitigation plan in the future.

(SF 366; signed, effective 7/1/14)

Natural Resources

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2014

- CROSSBOWS TO HUNT DEER** Allows residents to use crossbows to hunt deer during late-muzzleloader season. While currently only seniors and those with physical disabilities are allowed to use a crossbow during designated seasons, this bill would allow residents and non-residents to legally hunt deer during the late-muzzleloader season with a crossbow.
(HF 499; signed, effective 7/1/14)
- LIABILITY PROTECTION FOR VOLUNTEERS ON STATE LAND** Directs the Department of Natural Resources to create a state lands volunteer program that authorizes and provides liability protection to nonprofit organizations whose services are to benefit state parks and recreation areas. Across Iowa, there are a number of "Friends of the Park" organizations that provide additional supplemental funding and volunteers at the local level. This bill will ensure the state provides liability protection of the volunteers during volunteer activities on state land.
(HF 2397; signed, effective 7/1/14)
- OFF-ROAD UTILITY VEHICLES** Redefines off-road utility vehicles into three types, based on weight and width. This bill will accommodate for new styles of off-road utility vehicles currently being developed and manufactured. This will allow consumers to legally register and ride these vehicles.
(HF 2216; signed, effective 7/1/14)
- PADDLE FISHING** Authorizes paddle fishing on the Missouri and Big Sioux Rivers. Both a resident or nonresident fishing license, along with a paddle fishing license must be purchased. The DNR will limit the number of licenses in order to monitor and control the paddlefish population. Paddle fishing is already allowed on the Mississippi River.
(SF 2198; signed, effective 7/1/14)
- STEEL SLAG** Defines steel slag to allow its use as a byproduct and not as a discarded material. During the melting process of manufacturing steel products, steel slag is created, which can be molded into an aggregate similar to limestone. This bill defines the product, allowing manufacturers of steel products to use and sell the byproduct of steel slag.
(HF 2346; signed, effective 7/1/14)
- YOUTH WILD TURKEY HUNTING** Currently youth under the age of 16 may purchase a hunting permit for a specific youth season. The bill allows those youth who do not take a wild turkey during the weeklong youth season to use that license and unused tag during any other wild turkey hunting seasons. Such is currently the case with deer licenses in regard to youth hunting.
(HF 2067; signed, effective 3/14/14)

Public Safety

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2014

MEDICAL CANNABIDIOL	Decriminalizes the possession of cannabidiol that contains up to 3% of THC (tetrahydrocannabinol), which are main components of marijuana. Sets up a process involving the Departments of Public Health and Transportation where patients with intractable epilepsy, or their primary caregivers, can apply for and receive an identification card which authorizes them to be in possession of this medicine. Also makes the use of this medicine an affirmative defense from criminal prosecution. [SF 2360; to Governor]
PAYMENT FOR PERSONS THAT ARE UNDERGOING TREATMENT FOR TRIAL	Clarifies that the state, not the counties are responsible for the payment of person who is undergoing treatment to see if they are able to stand trial. If the person is found to pose a danger, they are under the custody of the Department of Corrections. If they are not found to pose a danger, they are under the custody of the Department of Human Services. [SF 2296; signed, effective 7/1/14]
UNDERAGE CONSUMPTION & SOCIAL HOST	Makes it illegal for a person under the age of 21 years to consume alcohol and makes it illegal for a property owner to knowingly allow a person under the age of 18 years to possess or consume alcohol on their property. [SF 2310; signed, effective 7/1/14]
CONSUMER CREDIT PROTECTION FOR KIDS & PROTECTED CONSUMERS	Allows for a security freeze to be placed on the account of a person under 16 years of age or a protected consumer's credit report. The freeze must be requested by an authorized representative, and a consumer credit reporting agency cannot charge more than \$5. [HF 2368; signed, effective 1/1/15]
SEARCH WARRANTS FOR GPS UNITS	Allows for any law enforcement agency to apply for a search warrant for the placement, tracking, monitoring, or removal of a global positioning device. Application is made to a magistrate and the magistrate must find probable cause to issue the warrant. [HF 475; signed, effective 7/1/14]
UNMANNED AERIAL VEHICLES	Prohibits a state or political subdivision from using a UAV for traffic enforcement. Information that is obtained by a UAV is not admissible as evidence in court unless obtained by a search warrant or in a manner that is consistent with state and federal law. A working group consisting of the Department of Public Safety, the Attorney General's Office and other interested organizations must meet and report back to the General Assembly as to whether Iowa's criminal code should be modified to include the regulation of UAVs. [HF 2289; to Governor]
MUTUAL AID AGREEMENTS IN TIMES OF A DISASTER OR EMERGENCY	Authorizes the Governor to enter into mutual aid agreements with other states in times of a disaster or emergency when a proclamation has not been made. [SF 2305; signed, effective 7/1/14]

**NOTIFICATION REQUIREMENTS
WHEN A SECURITY BREACH OF
PERSONAL INFORMATION** Updates law regarding when persons must be notified after an entity experiences a breach of security which puts consumer's personal information at risk.
[SF 2259; signed, effective 7/1/14]

OTHER BILLS OF INTEREST

HF 159 Adds four new substances to list of precursors of a controlled substance. [signed, effective 7/1/14]
SF 2121 Adds various types of substances to the list of controlled substances to comply with changes made the federal Drug Enforcement Agency. [signed, effective 7/1/14]

State Government

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2014

ELECTIONS/CITY VACANCIES

Allows voter registration forms to be stored electronically; requires appointments to city elections be filled within 60 days after the vacancy occurs, and it will be for the period until the next regular city election; city elections nomination papers will be filed with the county auditor instead of the city clerk; closes pre-voter registration for primary elections 11 days prior to the election; allows affidavits to be on the return envelopes; and repeals the requirement that the printed affidavit on the absentee ballot designate the voter's party affiliation if the ballot is for a primary election.

(HF 2366; signed, effective 7/1/14, portions upon enactment of 4/25/14)

INTERNET SITE FOR STATE AGENCY FEES

Requires the creation of a user-friendly state fee website and database for use by the public that will provide an at-a-glance directory of current fees, rates, and charges imposed by state agencies. The site must also provide for timely notice of any modifications in fees, rates, and charges imposed by an agency and provide for electronic notification of interested parties. This will serve as a one stop shop for citizens, businesses, and interested parties. The state's Office of the Chief Information Officer is required, by December 1, 2014, to complete the initial version of the user-friendly website and database.

(HF 2274; signed, effective 7/1/14)

ESCHEATMENT OF U.S. SAVINGS BONDS PRESUMED ABANDONED

Provides a procedure for the escheatment to the State of U.S. savings bonds presumed to be abandoned. The State Treasurer will put the names on the bonds on their Great Iowa Treasurer Hunt and people can claim the abandoned bonds. There is currently no procedure for the State Treasurer to use for redemption of U.S. savings bonds presumed to be abandoned. The bill comes from the State Treasurer's office.

(SF 2283; signed, effective 7/1/14)

HORSE RACING

Allows the Iowa Racing and Gaming Commission to establish restrictions on dosage amounts for phenylbutazone, essentially horse aspirin, in races recognized as graded stakes races by the Iowa Horsemen's Benevolent and Protective Association. Closes a loophole in accepting unregulated bets from Iowans on horse races that certain out-of-state unlicensed advanced deposit wagering (ADW) operators were doing. ADW is regulated through Iowa's Racing and Gaming Commission. The bill also allows additional uses for purse moneys designated for standardbred horse racing (harness racing). They currently receive \$1.5 million from Prairie Meadows to use for purses, which is set by statute. The bill expands the current uses to also include breeder's awards, expenses at the tracks they race at, and construction or repair of harness racing tracks located in Iowa and at fairgrounds.

(HF 381; signed, effective 7/1/14)

DEFINES NATIVE HORSES FOR PURPOSES OF RACING

Eliminates the requirement that at least 51% of an Iowa registered stallion be owned by Iowa residents for purposes of determining eligibility for registration as an Iowa thoroughbred, quarter horse, or standardbred stallion. Current law remains that the stallion residency for a year must be met.

(SF 2185; signed, effective 7/1/14)

BAN GREYHOUND RACING

Council Bluffs and Dubuque are allowed to discontinue live greyhound racing. In order to get out of live racing, Council Bluffs casino will pay \$65 million and Dubuque casino \$7 million over seven years. Half the money will go into a retirement fund to provide the greyhound industry a soft landing from the reduction of live dog races in Iowa, and the other half will go to the Iowa Greyhound Association to conduct live racing at the Dubuque racetrack under specific requirements laid out in the bill, and upon approval by the Iowa Racing and Gaming Commission (IRGC) to get licensed. Council Bluffs will have to conduct live greyhound races for two more years (2014 and 2015). Starting January 1, 2016, they no longer have to conduct live greyhound races. Dubuque will have to conduct live greyhound racing through Oct. 31 of this year. The Iowa Greyhound Association is allowed to go before the IRGC and get licensed under 99D to conduct simulcasting of horse or dog races; and if they obtain the license, they are allowed to enter into a lease agreement with the Dubuque racetrack to conduct live races at their racetrack. The initial agreement is for five years at an annual lease payment of \$1. They are allowed a one five-year renewal agreement at a fair market rental rate. The bill also allows the Iowa Greyhound Association to enter agreements with other casinos to conduct simulcast horse or dog races at their facilities. (SF 2362; to Governor)

DEPARTMENT OF INSPECTIONS AND APPEALS OMNIBUS BILL

The bill was requested by the Department of Inspections and Appeals. It makes technical changes related to background checks; increases from 48 hours to seven calendar days the time hospitals are allowed to verify information after notification of a criminal conviction or entry of a founded child or dependent adult abuse record; provides additional reasons a health care facility license, an elder group home, an assisted living program, and an adult day services program can be denied, suspended, or revoked; updates Code language to reflect legislation in 2013 related to the Office of Long-Term Care Ombudsman; and provides language regarding the process for exit interviews, issuance of findings, public disclosure of findings, and the appeal process for elder group homes and adult day services programs consistent with the language for health care facilities and assisted living programs, as changed in 2013 legislation. (HF 2365; signed, effective 7/1/14)

OTHER BILLS OF INTEREST

HF 2288 Eliminates obsolete reports and publications (signed, effective 7/1/14)

Transportation

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2014

DEPARTMENT OF TRANSPORTATION OMNIBUS BILL

The Iowa DOT Omnibus bill contains changes to the regulation of junkyards and the placement of billboards on the National Highway System, which puts Iowa in compliance with federal legislation. The bill also makes changes for motor vehicle dealers, which allows for the consignment sales of heavy trucks in certain instances, creates a dealer plate to be used for hauling a load or towing a trailer, adopts the “manufacturer’s suggested retail price” for use on restored vehicles, and eliminates the 5% fee on vehicles used as a loaner. In addition, the bill allows third parties to test Commercial Driver’s License (CDL) applicants, allows for a release of a lien on a vehicle with a valid title from another state, exempts farmers from CDL requirements in some instances, updates the law to reflect current practice for street lights and signals, increases the days a person can request a prorated refund of aircraft registration fees, requires a report from county engineers to identify certain highway intersections, establishes a commercial air service retention and expansion committee, and shortens the license revocation for a Minor School License. (SF 2355; to Governor)

EQUIPMENT USED IN CONSERVATION CONSTRUCTION

The bill extends a current exemption for vehicle weight to equipment used primarily for construction of permanent conservation practices on agricultural land. This issue came from a constituent who had been transporting the equipment for a number of years without issue. This is current practice and the legislation codifies that practice. (HF 2230; signed, effective 7/1/14)

MINOR’S SCHOOL LICENSE

Primarily in rural districts, schools enter into sharing agreements for the purpose of combining athletic teams and other providing more extracurricular activities to students. Current law only allows students who hold a minor school license to travel to their school of enrollment, but this legislation will allow them to also travel to the school or schools within the sharing agreement for the purpose of participating in those extracurricular activities. (SF 2228; signed, effective 7/1/14)

MOTORIZED BICYCLE

Increases the maximum speed on a moped from 30 to 39 miles per hour. Currently, motorized bicycle manufacturers are building the bikes with a maximum 39 miles per hour, and this legislation reflects that change. (SF 2192; signed, effective 7/1/14)

RAILROAD TRAIN OPERATORS

Provides a railroad employee is not required to show a driver’s license to law enforcement when in connection to the operation of the train. Railroad operators currently carry two government-issued identification cards and according to federal law are not required to carry a state-issued driver’s license. Often law enforcement will ask for a driver’s license when a train is involved in a motor vehicle accident. This legislation clarifies in state law that a federal identification card is sufficient in the case of an accident. (SF 2290; signed, effective 7/1/14)

OTHER BILLS OF INTEREST

- HF 2181 Increases the upper weight limit for vehicles covered under the lemon law from 10,000 to 15,000 pounds. (signed, effective 7/1/14)
- SF 2250 Defines the term “scrapping” as it pertains to the licensing of vehicle recyclers. (signed, effective 7/1/14)
- SF 2291 Provides an exemption for vehicles modified and resold by an equipment dealer for certain types of vehicles. (signed, effective 7/1/14)
- SF 2338 Increases the tax on compressed and liquefied natural gas. (signed, effective 7/1/14)

Veterans Affairs

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2014

SEXUAL ASSAULT REPORTING – IOWA NATIONAL GUARD	Establishes requirements when local law enforcement is notified regarding an alleged sexual abuse between members of the National Guard while on duty status. Implements penalties for interfering with an alleged sexual abuse report. (SF 2321; signed; effective 7/1/14)
DISABLED VETERAN PROPERTY TAX EXEMPTION	Allows U.S. military veterans with 100% service connect disability to be exempt from property taxes for their place of residence. In addition, this includes surviving spouses of veterans who died on active duty or died due to their 100% service connected disability. (SF 2352; to Governor)
MILITARY RETIREMENT PAY & SURVIVOR BENEFIT STATE TAX EXEMPTION	Military retirement pay is exempted from state individual income taxes. This is based upon the Governor’s Home Base Iowa Initiative. In addition, exempts state individual income taxes are exempted from military survivor benefits. These provisions take effect upon enactment and are retroactive to the tax year beginning January 1, 2014. (SF 303; to Governor)
PROPERTY ASSOCIATION OF WAR VETERANS	The property of war veterans, such as Veterans of Foreign Wars (VFW) halls, do not lose tax exempt status because of the occasional or irregular renting of these facilities, if the proceeds from any lease or rental does not exceed \$200 per rental and if the money from these rentals are used for the purposes of the organization. (SF 303; to Governor)
MILITARY LICENSE PLATES – NO INITIAL FEE	The initial fee is eliminated for all military license plates. However, the annual military license plate fee will remain intact. The annual validation fee for all the plates is \$5.00. This is based upon the Governor’s Home Base Iowa Initiative. (SF 303; to Governor)
PRIVATE SECTOR VETERANS PREFERENCE	Private sector employers are allowed to grant a preference in hiring and promotion for veterans and some spouses. This is based upon the Governor’s Home Base Iowa Initiative. (SF 303; to Governor)
EDUCATION REPORTING	The community colleges, private colleges, and the Regents universities are required to report annually regarding the award of educational credits to veterans for military education, training, and experience for the prior five academic years. The initial report is due December 15, 2015, to the Legislature and Governor’s Office. This is based upon the Governor’s Home Base Iowa Initiative. (SF 303; to Governor)
LICENSED PROFESSIONS & OCCUPATIONS	Specific professional and/or occupational licensure boards are required to match up military training to current licensure requirements. The licensing boards must recommend if spouses should be included as well. This is based upon the Governor’s Home Base Iowa Initiative. (SF 303; to Governor)
MILITARY HOMEOWNERSHIP ASSISTANCE PROGRAM	Expands eligibility for the Military Homeownership Assistance Program administered by the Iowa Finance Authority (IFA). Starting July 1, 2014, allows an eli-

gible veteran to use financing other than that available under IFA's current homebuyer programs if the financing is by a lender that participates in IFA's first mortgage programs or is approved by IFA, and if they determine that the offered financing would be economically feasible and financially advantageous for the veteran. Lastly, clarifies "honorable discharge" as an eligibility requirement, and adds a hardship clause applicable to the surviving spouse of a service member if all eligibility requirements other than military service are met for this and other IFA loan and grant programs. (SF 303; to Governor)

CIVIL SERVICE EXAMINATIONS

Allows cities and counties to administer a civil service examination out of cycle specifically for recently discharged military service members. If a veteran has been honorably discharged between 45 days before and 60 days after the examination is administered, the civil service commission may allow the veteran to take the examination up to 90 days following the date the original examination was administered and if appropriate, will add the veteran's name to the list. (SF 303; to Governor)

OTHER BILLS OF INTEREST

SF 303 Makes various changes regarding County Commissions of Veterans Affairs (to Governor)

Ways & Means

CHILD AND DEPENDENT CARE TAX CREDIT	Changes the calculation of the state Child and Dependent Care Tax Credit. The state credit is calculated as a percentage of the federal tax credit. The bill makes the percentage of the state credit that can be claimed based on the total federal credit a taxpayer would be eligible for, regardless of whether the taxpayers' federal credit was limited by the taxpayer's federal tax liability. This change is effective for the 2015 tax year. (SF 2337; to Governor)
SOLAR ENERGY SYSTEM TAX CREDIT	Increases the total solar energy system tax credit available annually from \$1.5 million to \$4.5 million, with \$1 million reserved for residential installations. The credit is determined as a percentage of the federal tax credit available to a taxpayer. The percentage of the state credit is increased under the bill from 50% of the federal credit to 60%. The total amount that may be claimed by a taxpayer for any project is increased from \$3,000 to \$5,000 for a residential application and from \$15,000 to \$20,000 for a commercial application. These changes are retroactive to the 2014 tax year. (SF 2340; to Governor)
MILITARY RETIREMENT PAY & SURVIVOR BENEFIT STATE TAX EXEMPTION	Military retirement pay is exempted from state individual income taxes. This is based upon the Governor's Home Base Iowa Initiative. In addition, exempts state individual income taxes are exempted from military survivor benefits. These provisions take effect upon enactment and are retroactive to the tax year beginning January 1, 2014. (SF 303; to Governor)
DISABLED VETERANS HOMESTEAD TAX CREDIT	Expands the disabled veteran homestead tax credit to include a veteran with a 100% service-connected disability rating, a surviving spouse, or a child receiving dependent and indemnity compensation from a service-connected disabled veteran. The bill strikes the maximum income limit to qualify for the credit. (SF 2352; to Governor)
VOLUNTEER FIREFIGHTER/EMT/POLICE TAX CREDIT	Doubles the tax credit for volunteer firefighters and emergency medical services personnel. The tax credit is also extended to reserve peace officers, who are also voluntary. The credit would apply starting with Tax Year 2014. (HF 2459; to Governor)
ADOPTION TAX CREDIT	Creates a \$2,500 tax credit to help offset the costs of qualified adoption expenses. The credit is refundable and may be carried forward for one tax year. (HF 2468; to Governor)
STREAMLINED SALES TAX UPDATE	Updates Iowa Code regarding dietary supplements. This change was necessary to maintain Iowa's membership in the Streamlined Sales Tax Agreement. The Agreement is an effort to simplify the administration of state sales and use taxes across the state that are a party to the agreement. (HF 2436; signed, effective 7/1/14)

FEDERAL COUPLING	<p>Updates the Iowa Tax Code to reflect changes in the federal Internal Revenue Code. The bill repeals the generation skipping transfer tax on Iowa estate tax. The federal taxes that this generation skipping tax related to were phased out in 2005. The bill also updates references to the Internal Revenue Code.</p> <p style="text-align: right;">(HF 2435; signed, various effective dates)</p>
COLLEGE STUDENT AID COMMISSION STATE AUTHORIZATION RECIPROCITY AGREEMENTS (SARA)	<p>The College Student Aid Commission is allowed to develop reciprocity agreements with other states. Involves on-line distant learning, and promotes efficiencies with Regents institutions, community colleges, and private colleges. The bill addresses student protection concerns brought by the Attorney General.</p> <p style="text-align: right;">(SF 2271; signed, effective 7/1/14)</p>
RENEWABLE ENERGY TAX CREDITS	<p>Extends the deadline for placing a wind energy facility into service to receive state tax credits by two years. These credits are often referred to as 476C wind energy tax credits. The bill also expands the types of fuels that can be used at a cogeneration facility to include methane, landfill gas, or biogas. Current law only allows natural gas to qualify for tax credits at a cogeneration facility.</p> <p style="text-align: right;">(SF 2343; to Governor)</p>
BIOFUEL TAX CREDIT EXTENSION	<p>Increases the tax credit for E-15+ gasoline from 3 cents to 10 cents per gallon from June 1 through September 15th annually. The E-15+, E-85, and biodiesel tax credits are extended for two additional years. The biodiesel producer refund is extended for five years. The bill expands the definition of biodiesel and ethanol to include biobutanol blended gasoline.</p> <p style="text-align: right;">(SF 2344; to Governor)</p>
HISTORIC TAX CREDITS	<p>HF 2453 changes the Historic Preservation and Cultural and Entertainment District Tax Credit from a lottery based award system to a scoring system based on project readiness, rules based program. The legislation also allows unclaimed credits to be awarded to different projects.</p> <p style="text-align: right;">(HF 2453; to Governor)</p>
NEWTON RACEWAY SALES TAX EXTENSION	<p>Extends the deadline on the current sales tax rebate at the Newton Racetrack by 10 years. The bill does not change the total amount that may be granted over the life of the rebate. Ownership provisions of the track are also updated.</p> <p style="text-align: right;">(SF 2341; signed, effective 4/2/14)</p>
BROWNFIELD GRAYFIELD TAX CREDITS	<p>SF 2339 allows public building to be eligible under the Redevelopment Tax Credit Program. An abandoned public building is a building constructed by a city, county, township or school board for public use and is vacant, blighted, obsolete, or an otherwise underutilized property. SF 2339 also makes tax credits refundable for nonprofits and changes the program from first come first serve to a program where awards come from the Economic Development Authority based on project readiness and effectiveness.</p> <p style="text-align: right;">(HF 2455; signed; effective 7/1/14)</p>
KNOXVILLE RACEWAY TAX CREDITS	<p>Authorizes a sales tax rebate for the Knoxville Raceway. The total sales tax rebate is \$2 million or 25% of the project the rebate is intended to help finance, whichever is lower. The rebate applies to state sales tax on personal property or services provided at the racetrack and to state sales tax paid by to the owner of the facility for the project the rebate is intended to facilitate.</p> <p style="text-align: right;">(HF 2464; to Governor)</p>

BAN GREYHOUND RACING

Council Bluffs and Dubuque are allowed to discontinue live greyhound racing. In order to get out of live racing, Council Bluffs casino will pay \$65 million and Dubuque casino \$7 million over seven years. Half the money will go into a retirement fund to provide the greyhound industry a soft landing from the reduction of live dog races in Iowa, and the other half will go to the Iowa Greyhound Association to conduct live racing at the Dubuque racetrack under specific requirements laid out in the bill, and upon approval by the Iowa Racing and Gaming Commission (IRGC) to get licensed. Council Bluffs will have to conduct live greyhound races for two more years (2014 and 2015). Starting January 1, 2016, they no longer have to conduct live greyhound races. Dubuque will have to conduct live greyhound racing through Oct. 31 of this year. The Iowa Greyhound Association is allowed to go before the IRGC and get licensed under 99D to conduct simulcasting of horse or dog races; and if they obtain the license, they are allowed to enter into a lease agreement with the Dubuque racetrack to conduct live races at their racetrack. The initial agreement is for five years at an annual lease payment of \$1. They are allowed a one five-year renewal agreement at a fair market rental rate. The bill also allows the Iowa Greyhound Association to enter agreements with other casinos to conduct simulcast horse or dog races at their facilities. (SF 2362; to Governor)

BEGINNING FARMER TAX CREDIT

Current law says a beginning farmer tax credit, or the custom farming contract tax credit, in excess of the taxpayer's liability on their income taxes may be credited to their tax liability for the following five years or until depleted, whichever is earlier. The bill changes this to 10 years. This allows the tax credit to carryover for 10 years. (HF 2454; to Governor)

PADDLE FISHING

Authorizes paddle fishing on the Missouri and Big Sioux Rivers. Both a resident or nonresident fishing license, along with a paddle fishing license must be purchased. The DNR will limit the number of licenses in order to monitor and control the paddlefish population. Paddle fishing is already allowed on the Mississippi River. (SF 2198; signed, effective 7/1/14)

DEPARTMENT OF TRANSPORTATION OMNIBUS

The Iowa DOT Omnibus bill contains changes to the regulation of junkyards and the placement of billboards on the National Highway System, which puts Iowa in compliance with federal legislation. The bill also makes changes for motor vehicle dealers, which allows for the consignment sales of heavy trucks in certain instances, creates a dealer plate to be used for hauling a load or towing a trailer, adopts the "manufacturer's suggested retail price" for use on restored vehicles, and eliminates the 5% fee on vehicles used as a loaner. In addition, the bill allows third parties to test Commercial Driver's License (CDL) applicants, allows for a release of a lien on a vehicle with a valid title from another state, exempts farmers from CDL requirements in some instances, updates the law to reflect current practice for street lights and signals, increases the days a person can request a prorated refund of aircraft registration fees, requires a report from county engineers to identify certain highway intersections, establishes a commercial air service retention and expansion committee, and shortens the license revocation for a Minor School License. (SF 2355; to Governor)

ENTERPRISE ZONE REDESIGN

HF 2448 moves away from the site by site Enterprise Zone designation by increasing the number of distressed counties under the High Quality Jobs Program and adding brownfield and grayfield designations to the program. The number of counties eligible under the economically distressed criteria from 25

to 33. If a county is in the bottom 33 of counties in average unemployment for the last 12 months or average unemployment for the last five years it would qualify as distressed. HF 2448 also modifies Workforce Housing Credits. The Enterprise Zone Program currently provides credits to eligible housing projects in enterprise zones. The new program is available statewide if the projects meet one of the following criteria: Repair of dilapidated housing; on a brown-field or grayfield site; is an upper story project; or new construction in a community with a workforce housing need. (HF 2448; to Governor)

**INVESTMENT TAX CREDITS,
TARGETED SMALL BUSINESS
PROGRAM, AND NEW
INFRASTRUCTURE FUND**

SF 2359 makes changes to investment tax credits, allowing a taxpayer making a capital investment in a qualifying business to claim an investment tax credit the year it is received. Currently, an investor must wait three years to redeem the credit. The legislation also adds a provision to the Targeted Small Business program that allows the Economic Development Authority to partner with one or more private sector entities to implement an initiative designed to increase the number of female entrepreneurs in the state. The bill also creates a new infrastructure fund under the control of the Economic Development Authority. The fund will be used for strategic infrastructure investments for new or existing businesses and uses the \$7 million remaining in the Grow Iowa Values Fund (that includes funds currently available and all future expected repayments) to fund the program. The bill also allows transfer of funds to and out of the infrastructure fund. (SF 2359; to Governor)

OTHER BILLS OF INTEREST

- HF 2438 Makes technical changes to the administration of the tax code by the Department of Revenue. (signed; various effective dates)
- HF 2444 Department of Revenue Efficiency Bill. (to Governor)
- HF 2446 Exempts seed tenders and diesel fuel trailers from sales tax if used primarily in agricultural production. (to Governor)
- HF 2456 Creates a reverse referendum process for property tax levy elections for community colleges. (to Governor)
- HF 2466 Allows a low income housing owner to elect to be taxed as regular multi-residential property instead of as Section 42 housing. (to Governor)
- HF 2476 Allows for alternative funding procedures for unified law enforcement districts. (to Governor)
- SF 2291 Provides an exemption for vehicles modified and resold by an equipment dealer for certain types of vehicles. (signed; effective 7/1/14)
- SF 2328 Moves the Agriculture Development Authority code sections to under the Iowa Finance Authority code sections (signed; effective 7/1/14)
- SF 2338 Clarifies the method of calculating the tax on compressed natural gas (CNG) and liquefied natural gas (LNG) used as a special fuel. (signed; effective 7/1/14)
- SF 2364 Exempts environmental testing services from state sales tax and changes the registration of motor-sports recreational vehicles. (to Governor)