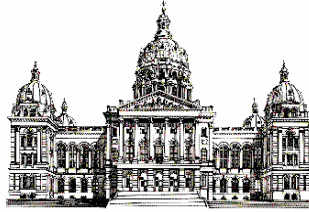


House Democratic Research Staff



83rd General Assembly

End of Session

Highlights

March 30, 2010

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AGRICULTURE

IOWA HOUSE OF REPRESENTATIVES

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LOCAL FOODS STUDY

Requires the Leopold Center for Sustainable Agriculture to consult with Iowa State Extension and prepare a local food and farm plan containing policy and funding recommendations for supporting and expanding local food systems and for assessing and overcoming obstacles necessary to increase locally grown food production. The plan is to be submitted to the general assembly by January 10, 2011.

(HF 2525 Sent to Governor, effective upon signing)

WEIGHT AXLES FOR COMMERCIAL VEHICLES

Allows commercial motor vehicles, other than special trucks, on non-interstate highways, to haul up to 90,000 lbs. on six axles and 96,000 lbs. on seven axles. Currently, this is only allowed for livestock or construction vehicles. This allows farmers to haul heavier grain on trucks with more axles.

(HF 2512 Signed by Governor, effective 7/1/10)

DRAINAGE DISTRICTS

Increases the bid threshold for a drainage improvement from \$15,000 to \$20,000 to reflect the increased cost of doing business. Also, when a company bids a drainage project, it currently must post security of 10% of the amount of bid, not to exceed \$10,000. The bill removes the \$10,000 maximum and reduces the security cap from 10% to 5%, which is consistent with municipal law.

(HF 2273 Signed by Governor, effective 3/22/10)

NPDES PERMIT REQUIREMENTS

Addresses two issues that the U.S. EPA said needed to be changed to comply with federal National Pollutant Discharge Elimination System (NPDES) program authorization as part of the Clean Water Act. The bill addresses conflict of interest provisions within the Environmental Protection Commission for the approval of NPDES permits and certain NPDES permit requirements for confinement feeding operations.

(SF 2248 Signed by Governor, effective 7/1/10)

GRAIN DEALERS AND WAREHOUSE OPERATORS

Changes the way indemnity assessment fees, which are deposited into the grain indemnity fund, are charged to the grain industry (grain dealers and warehouse operators, not producers) when the fund is in an assessment mode. This is required if the fund goes below \$3 million and waived when the fund reaches \$8 million. The last time the fund was in assessment mode was 1988.

(SF 2299 Signed by Governor, effective 7/1/10)

FARM TENANCIES

A farm tenant may take any part of the aboveground part of a harvested crop (e.g., stover) until the farm tenancy terminates, unless the parties to the lease provide otherwise in writing.

(HF 2380 Signed by Governor, effective 7/1/10)

APPROPRIATIONS

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

BUDGET OVERVIEW

Iowa's economy, hit by the severe national recession, faced the same problems as most other states. After experiencing a steep revenue decline in fiscal year 2010 that exceeded \$500 million, the Legislature took steps to reorganize state government to improve efficiencies and generate savings that helped balance the state budget without a tax increase. Democrats made education a priority, providing more funding for K-12 schools in a year when general fund spending declined from the previous year. Efforts to stimulate the economy by rebuilding and improving infrastructure throughout the state will help Iowa shake off the economic downturn and will create jobs that are needed to revitalize our communities.

ADMINISTRATION AND REGULATION

The Administration and Regulation Appropriations Budget covers 13 departments, agencies, and offices. This fiscal year 2011 budget bill appropriates \$63.8 million, which is a \$2.9 million increase from the estimated FY 2010 budget after the 10% across the board cut ordered by Governor Culver. The increase is due primarily to a \$2 million shift in funding from the DHS Medicaid program to the Department of Inspections and Appeals and due to changes resulting from the reorganization bill (SF 2088). Full funding is provided for the Child Advocacy Board, which administers the Court Appointed Special Advocate (CASA) program. CASA trains volunteers to help protect the interests of abused and neglected children. The bill also restores funding to the Office of Drug Control Policy to insure that coordinated efforts to fight drug distribution and to treat drug users can continue.

(SF 2367, to Governor, effective 7/1/10)

AGRICULTURE AND NATURAL RESOURCES

House File 2525 appropriates \$36 million from the general fund, a status quo budget. Of this total, approximately \$16.9 million is appropriated to the Department of Agriculture and Land Stewardship (IDALS). The bill appropriates \$15.6 million to the Department of Natural Resources. The budget continues the practice of providing both IDALS and DNR with a single appropriation, allowing them to manage that money as they believe is best. HF 2525 appropriates \$3.4 million to the Board of Regents for the Veterinary Diagnostic Lab at Iowa State University. This same amount went to the diagnostic lab last year, from all sources. The bill appropriates \$33 million from the Environment First Fund, including \$15 million for REAP. Additionally, there is approximately \$6.95 million in IJOBS funding for the Soil Conservation Cost Share program in IDALS.

(HF 2525 to Governor, effective 7/1/10)

ECONOMIC DEVELOPMENT

House File 2522, the Economic Development Budget, provides more technical assistance to small businesses by increasing funding to the statewide MyEnterenet program at UNI, and the Small Business Development Centers at ISU. The proposal to expand MyEntre.Net will

be a live, online, competent and personable individual who has expertise to connect business owners with services and resources they need. The increase to Small Business Development Centers would provide more one-on-one counseling to assist in small business growth. The bill also backfills funding from the across the board cut made to the Labor Services Division and Workforce Centers. It also fully funds the Employee Misclassification Taskforce. HF 2522 would simplify the process for out of state contractor registration by requiring a \$25,000 surety bond yearly from the contractor if they are to work in Iowa. They must still comply with the contractor registration law, which requires proof of workers' compensation insurance.

(HF 2522 to Governor, effective 7/1/10)

EDUCATION

The Education Appropriations bill provides \$844.4 million to the Department of the Blind, College Student Aid Commission, Department of Education, and the Board of Regents. This level of funding is \$12 million less than the final estimated net FY 2010 budget. Most appropriations are made at the Governor's recommended levels with a general 3.94 percent across-the-board reduction to meet target; however, some areas received a greater percentage reduction. Language is added to clarify the handling of teacher salary supplement dollars, to require the Iowa Association of Schools Boards to follow the requirement of the open records and open meetings laws, to study Area Education Agencies (AEAs), to fund all applications for voluntary preschools, and to instruct Library Service Areas to merge to six total areas from the current seven.

(SF 2376 to Governor; various effective dates)

HEALTH AND HUMAN SERVICES

House File 2526 appropriates a total of \$954.3 million from the general fund to the Departments of Aging, Public Health, Human Services, Veterans Affairs, and the Iowa Veterans Home. Compared to last year, this is a decrease of \$169 million. The budget subcommittee had the following priorities when determining this budget: protect children and older Iowans, support court ordered services, maintain current services, maximize federal match, and defend direct services.

(HF 2526 to Governor; effective 7/1/10)

INFRASTRUCTURE AND CAPITALS

Appropriates a total of \$153.2 million from the Rebuild Iowa Infrastructure Fund for FY 11. In addition, the IJOBS program is provided an additional \$45 million in bond proceeds for flood prevention efforts and investing in our state and local infrastructure. This brings our investment and job creation IJOBS program to a total of \$875 million over two years. The bill also provides \$5.2 million for our small business assistance program; \$25 million over five years to make improvements to our state parks, to get them in pristine condition to celebrate their 100th anniversary in the year 2020; \$38 million for our Grow Iowa Values Fund jobs incentive program; \$7.5 million to local communities to upgrade rail spurs near their own industrial rail parks to help wind energy and other manufacturers; an additional \$14 million to update our local main street projects; and an extra \$3.5 million to control soil erosion and improve water quality in Iowa. (SF 2389 Sent to Governor; various effective dates)

JUDICIAL BRANCH

Appropriates a total of \$150 million from the general fund to the Judicial Branch for operations and salaries for FY 2011. Of that total amount, \$1.5 million is to be used for the jury and witness fund. An additional \$5.3 million is appropriated from the public safety enforcement fund in SF 2578, the Justice Systems Budget Bill.

(SF 2377 to Governor; Effective 7-1-10)

JUSTICE SYSTEMS

Appropriates a total of \$484 million from the general fund for FY 2011 to the Attorney General's Office; the Departments of Corrections, Inspections and Appeals, Public Defense, and Public Safety; the Iowa Law Enforcement Academy; Board of Parole; and the Civil Rights Commission. This represents an increase of \$18.5 million compared to net FY 2010. The bill appropriates \$9.1 million from the public safety enforcement fund to various state agencies and the Judicial Branch.

(SF 2578 To Governor; Various Effective Dates)

TRANSPORTATION

Appropriates a total of \$350.7 million to the Department of Transportation (DOT) for operations, capital projects, and special purpose items, which is a decrease of \$1.6 million (-0.5%) from FY 2010. This total includes \$48.9 million from the Road Use Tax Fund (RUTF), which is a 2% decrease from FY 2010, and \$301.8 million from the Primary Road Fund, which is a 0.2% decrease from FY 2010. The bill is at the Governor's and department's recommended level. These are non-general fund dollars that are constitutionally protected to be used only for roads, bridges, and other highway activities. Policy language is added to allow farmers to stop at a gas station on their ATV to get fuel and pop as part of their incidental use for agricultural purposes; and starting July 1, 2010, all kids under 18 will be required to use their seatbelts in the back seat of vehicles, unless all belts are being used and there is none available.

(SF 2381 Sent to Governor, effective 7/1/10)

STANDINGS

The standings bill makes adjustments to the standing appropriations that are in current law, makes salary adjustments for state employees, and makes a number of miscellaneous statutory changes as well as technical code editor corrections to bills that have already been approved by the General Assembly. The bill includes funding for K-12 schools and property tax credits. (HF 2531 To Governor, multiple effective dates.)

DEBT COLLECTION

With an estimated \$525 million in outstanding court debt, Legislators created a new position assigned the task of collecting debt owed the state. The state debt coordinator will be part of the department of revenue and is expected to help collect \$5.6 million in Fiscal Year 2011 and \$4.46 million in fiscal year 2012. A Debt Amnesty Program is also created, running from September 1 through November 20, 2010. Under the program, up to 50% of debt to the state can be forgiven. In addition, beginning January 1, 2011, county treasurers will be able to collect money owed to the state when drivers come to register their vehicles.

(SF 2383, to Governor, most sections effective upon signing)

OTHER BILLS OF INTEREST

HF 2519

Federal Block Grants, To Governor

SF 2366

FY 2010 Supplemental Appropriations, Signed, multiple effective dates

COMMERCE

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

CONSUMER PROTECTION

Real Estate Closing Agent Licensing: Requires licensing of closing agents to reduce fraud in real estate transactions. These agents make settlement statements, ensure documents conform to the parties' conditions, hold closing conference, and disburse funds related to the closing.

- Requires a \$200 license fee and a \$25,000 bond.
- Requires all funds received for disbursement during closing to be put in an insured trust account separate from the agent's account.
- Violators may be fined up to \$5,000 per violation and ordered to pay restitution, all investigation and prosecution costs, and attorney fees.

(Senate File 2348 – Signed by the Governor; effective July 1, 2011.)

Artisan Liens / Auto Repair: Currently a person who repairs property has a lien on the property and may hold it until paid. If an auto repair shop does unauthorized repairs or charges more than estimated, auto owners have no choice but to pay, as they need their car for work and other things. This bill make an exception for auto repairs. The auto owner may complain to the Attorney General. If there is reason to believe a deceptive practice occurred, the repair shop must return the auto to the owner within one business day of receiving notice from the Attorney General. (Senate File 2108 – Signed by the Governor; effective May 1, 2011.)

Insurance Credit Scores: Insurers may use credit scores to decide whether to insure and what rate to charge. This bill requires them to make exceptions for extraordinary situations that may affect one's credit rating, such as a disaster, illness, identity theft, etc. A written request must be made for an exception. (Senate File 2075 – Signed by the Governor; effects policies issued or renewed on or after July 1, 2010.)

INSURANCE

Health Insurance / Cancer Trials: Insurers say they pay for routine care for cancer patients in clinical trials, but policies differ, disputes happen, and coverage is often denied, making patients reluctant to participate in the trials. This bill creates a process to quickly verify coverage making it easier for patients to participate in these trials by assuring them that routine care will be covered. (House File 2075 – Signed by the Governor; effective July 1, 2010.)

Health Insurance Rate Transparency: Insurers now notify policyholders of rate increases on approval, typically 30 days before the rate takes effect. This does the following:

1. Requires notice when the insurer applies for an increase, including a description of those factors that make the increase necessary.
2. Requires the Insurance Consumer Advocate to solicit public comments on each proposed rate increase and post them on the Insurance Division's Internet site.
3. Requires the Insurance Commissioner to hold a public hearing if the proposed increase exceeds the national average annual health spending growth rate.
4. Creates a Health Insurance Work Group with health insurers, health care providers, small employers, and individual consumers, which will meet every year to consider ways to reduce costs of health insurance and health care services.
5. Requires the Insurance Commissioner and Consumer Advocate to file an annual report with the Legislature regarding health insurance plans, including loss ration

- data, health care expenditures, factors that result in higher costs or lower costs for each health insurance plan, medical cost trends, and any other useful information.
6. Creates an Iowa Insurance Exchange on the Insurance Division's internet site to post comparative health insurance information, including insurance plan designs, premium rate filings and approvals, health care cost data, and any other useful information.

(Senate File 2201 & Senate File 2356 – Signed by the Governor; effective April 8, 2010, except item #6 is effective July 1, 2010)

Dental Insurance / Fee Structure: Beginning January 1, 2010, Delta Dental of Iowa initiated a new contract provision that limits the amount a participating dentist may charge for services that Delta Dental does not even cover. This bill prohibits a contract between a dental plan and a dentist from setting fees for services that are not reimbursed by the dental plan.

(HF 2229 – Sent to the Governor; effective July 1, 2010)

REAL ESTATE In addition to licensing closing agents as described on the first page, the following passed:

Broker / Agent Discipline: Modifies disciplinary provisions to clarify the distinction between those that relate to license suspension or revocation and those that relate to qualification for initial licensure. (Senate File 2326 – Signed by the Governor; effective July 1, 2010)

Installment Sales Contracts: In order to reduce abusive sales tactics, real estate installment sales contracts that must be recorded in 180 days will now need to be recorded within 90 days and those that are recorded in 90 days must now be recorded within 45 days. (Senate File 2157 – Signed by the Governor; effects contracts signed on or after March 19, 2010)

Condominium Meetings: Meetings must be open to all members with at least seven days notice provided. (Senate File 2224 – Signed by the Governor; effective July 1, 2010)

Transfer Fee Covenants: In order to avoid abuses that have occurred in other states, the bill states that transfer fee covenants do not run with the title and are not enforceable against a subsequent owner, and a lien to secure a transfer fee payment is void. (SF 2192 – Sent to the Governor; effective July 1, 2010)

UTILITIES Planning Future Electric Generation Needs: Despite aggressive construction of wind turbines and retrofitting plants to reduce emissions, it is unlikely Iowa utilities will be able to meet carbon reduction proposals being considered by the federal government without relying on nuclear energy to some extent. The bill requires utilities to consider:

- Fuel diversity and the availability, reliability, and price volatility of various fuel supplies.
- Alteration of existing facilities to manage emissions in a carbon-constrained environment.
- Analysis of building nuclear facilities in response to a carbon-constrained environment.

The bill specifically provides for MidAmerican Energy to begin an analysis of the possible construction of a nuclear plant allowing recovery of reasonable and prudent planning costs. MidAmerican must submit its plan to the Iowa Utilities Board before December 31, 2013. (House File 2399 – Sent to Governor; effective on date signed)

Statewide Cable Franchise Law: Addresses problems with the statewide cable franchise law. It gives the Iowa Utilities Board (IUB) 30 days, rather than 15, to approve a franchise – but allows 60 more days if the IUB needs more information; requires the new franchisee to send a copy of its community notice to the IUB; requires an applicant to show that it is capable of providing – and its schedule for implementing - the proposed service; and allows IUB to cancel the franchise if the system isn't operating within 12 months, which automatically reinstates the previous franchise. (SF 2324 – Signed by Governor; effective April 12, 2010)

OTHER BILLS OF INTEREST

- HF 2111 Before a dissolved company is reinstated it must pay back unemployment taxes. (Signed 3/19/10)
- HF 2131 Updates Code references to the latest version of the federal Truth in Lending Act. (Signed 2/10/10)
- HF 2409 Repeals obsolete IFA requirement that banks file a certain paper report. (Signed 4/7/10)
- HF 2531 Expands autism coverage for state worker health plan to include behavior analysis. (Sent to Governor)
- SF 2073 Noncontroversial bill regarding licensing boards under the Banking Division. (Signed 3/19/10)
- SF 2191 Noncontroversial Omnibus Banking Division bill. (Signed 3/8/10)
- SF 2272 Makes changes to Iowa Insurance Guarantee Funds. (Signed 3/19/10)
- SF 2313 Clarifies the ability of Municipal Utilities to jointly finance power plants. (Signed 3/2/10)
- SF 2325 Requires audits of preneed funeral accounts within 35 days of being sold. (Signed 3/19/10)
- SJR 2009 Nullifies a State Building Code rule requiring fire sprinklers in residential property. (Enacted)

ECONOMIC GROWTH

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

“SAVE OUR SMALL BUSINESS FUND” CREATED

After meeting and discussing concerns with small businesses, Legislators have developed a small business loan fund, giving businesses access to capital. Under Senate File 2389, the \$5 million “Save Our Small (SOS) Business” Fund would provide loans at 3.9%. Administered through the Department of Economic Development (DED) and the Iowa Foundation for Microenterprise and Community Vitality under Iowa State University, the loans would be for Iowa businesses with 35 or fewer employees. The loans can be from \$2,500 to \$50,000. A business plan must be approved by a Small Business Development Center or a non-profit agency dealing with business technical assistance. Money for the fund would be available starting August 1, 2010, through March 31, 2011 (8 months), or when the available money runs out. The SOS Business fund could not be used for payroll obligations. A company with environmental or worker safety law violations could not qualify. The program is designed to be a rapid response for a short period of time to assist small businesses.

(SF 2389, Sent to the Governor, the fund takes effect upon enactment)

SITE DEVELOPMENT CERTIFICATION AND INTERNET SITES FOR BUSINESS

Senate File 2389 establishes a site development certification program to keep Iowa competitive with surrounding states. It allows DED to hire a 3rd party developer for assessments, including environmental evaluations, property and wetland delineation, and historical evaluations. A fee can be charged for this initial assessment, paid by the local government requesting the assessment. This will help identify what action is needed so the sites can be used for developments. In addition, Iowa has several programs that provide technical assistance to small businesses, but they all have their separate websites for information. The bill would link these sites under one location using DED’s website so assistance could be found easier. (SF 2389, Sent to the Governor, Effective July 1, 2010)

IOWA INNOVATION COUNCIL

House File 2076 combines three separate advisory councils for targeted industries into one Iowa Innovation Council (IIC). The council would review economic development programs, develop collaborate relationships, and coordinate state government applications for federal funds for targeted industries. Additional items would be reported on by the Commercialization Division including this new council. The IIC will help develop ways to enhance innovation and entrepreneurship in science, manufacturing and technology driven businesses. They will also help in mentoring and management talent recruitment.

(HF 2076, Signed by Governor, Effective July 1, 2010)

ENTERPRISE ZONE APPLICATION EXTENSION

House File 2370 extends the deadline for communities to apply for an enterprise zone. The cap under the program is eliminated since the program would fall under the tax credit cap for economic development programs created last year, and modified this year in Senate File 2380.

(House File 2370, sent to Governor, Effective July 1, 2010)

**PURCHASES AT A
REGIONAL
BLOOD CENTER**

Senate File 2387 provides a sales tax exemption on blood bags and equipment at a regional blood centers, similar to the exemption the American Red Cross currently has. Iowa is one of seven states that tax these items at blood centers, and there is an opportunity for a regionalized Midwest testing laboratory to be located in Iowa. However, Iowa would be competing for the high tech laboratory jobs with states that do not tax bags and equipment. The exemption would be allowed if the regional blood center is registered with the Food and Drug Administration, the center performs donor testing, and is located in Iowa before January 1, 2011. (SF 2387, Sent to Governor, Effective July 1, 2010)

**SMALL BUSINESS
CONTRACTS THROUGH
THE DEPARTMENT OF
TRANSPORTATION**

Court decisions in the 1990's made the set aside program for minority business contractors under the Department of Transportation (DOT) unusable. House File 2460 requires an annual assessment by the DOT of the impact of federal and nonfederal contracts awarded on socially and economically disadvantaged individuals, women, and persons with disabilities. Recommendations would be submitted to the Governor and General Assembly. The bill would set aside 10% of highway contracts for bidding by prequalified small businesses, as defined in the bill.
(HF 2460, Signed by Governor, Effective July 1, 2010)

**SEVERANCE AGREEMENT
PETITION BETWEEN TWO
CITIES**

House File 2376 creates a process in which a property owner can petition for severance from one city and annexation by another. Both cities must approve the change, with the final decision by the city development board. The agreement may include the equitable distribution of property taxes between the two cities. This bill provides landowners and cities with a clear process for severance in certain cases. The agreement would have conditions, including that an island would not be created.
(HF 2376, Signed by Governor, Effective July 1, 2010)

**DISABLED VETERANS'
BUSINESSES**

Under the list of primary duties of the Department of Economic Development, the department is to encourage and assist small businesses. House File 2449 would add small businesses owned and operated by disabled veterans.
(HF 2449, Signed by Governor, Effective July 1, 2010)

OTHER BILLS OF INTEREST

- HF 2195 Art Projects at State Buildings. (Signed by Governor, Effective July 1, 2010)
- SF 2076 Economic Development Programs and Board Term Changes (Signed by Governor, Effective Upon Enactment)
- HF 2488 Appointment of Young Adults to Boards and Commissions (Signed by Governor, Effective July 1, 2010)

EDUCATION

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

- PROPERTY TAX RELIEF** Requires school districts to spend down their cash reserve funds before coming to the School Budget Review Committee to levy for modified allowable growth which could increase property taxes.
HF 2030 – signed by Governor; effective 1/20/10
- TRAINING OF SCHOOL BUSINESS MANAGERS** Directs school business managers, hired on or after July 1, 2010, to complete a training program related to the financial operations of a school district. Upon successful completion of the program, they will be issued a school business official authorization by the Board of Educational Examiners. The Department of Education is to convene an advisory committee to determine the standards, procedures, content, and processes of training programs and issue a report to the General Assembly by December 31, 2010. Individuals employed as a school business manager as of July 1, 2012, who meets the requirements of the board, other than the training requirements, will be issued an initial authorization by the board, but are required to take continuing education courses.
HF 2461 – signed by Governor; effective 7/1/10
- ALLOWABLE GROWTH** This bill delays setting the state percent of growth of the state foundation aid to schools for one year until 2011. This means that in 2011, the Legislature will be required to set allowable growth for two years – the 2011-2012 (FY 2012) school year and the 2012-2013 (FY 2013) school year.
SF 2045 – signed by Governor; effective 1/20/10
- CATEGORICAL GROWTH** This bill delays setting the categorical state percent of growth by the Legislature for one year until 2011. Delaying this by one year means that the Legislature will be required to set the categorical state percent of growth for two years – the 2011-2012 school year and the 2012-2013 school year in the 2001 legislative session.
SF 2046 – signed by Governor; effective 1/20/10
- STUDY TO RECRUIT MINORITY TEACHERS** Requires the Department of Education, Area Education Agencies (AEAs), and public and private colleges and universities to conduct a study of the opportunities for the recruitment of and retention of racial and ethnic minority teachers.
The study is to include:
1. Examining strategies to encourage racial and ethnic minority high school students to enter the teaching profession,
 2. Examining how to recruit racial and ethnic minority students interested in post-secondary teacher prep programs into attending an Iowa college or university,
 3. Examining strategies to recruit racial and ethnic minority teachers to continue their careers as school administrators in Iowa.

A report is due to the General Assembly by January 10, 2011.

**STUDY OF AREA
EDUCATION AGENCIES**

Requires the Department of Education to convene a task force to conduct a study of the current system of area education agencies. Membership of the task force is education stakeholders and consumers. A report is due to the General Assembly by December 15, 2010.

HF 2295 - to Governor; effective July 1, 2010

OTHER BILLS OF INTEREST

- HF 2531 Directs the Board of Regents to conduct a study of possible changes to the residential services on the Braille and Sight Saving School campus and make recommendations. (to Governor; effective July 1, 2010)
- HF 2531 Caps the FY 2011 state foundation aid to K-12 schools at \$2.494 billion. Local districts retain spending authority. (to Governor; effective July 1, 2010)
- HF 2531 Appropriates \$7.5 million for Instructional Support for FY 2011. (to Governor; effective July 1, 2011)
- HF 2531 An additional \$4 million in new funding is appropriated to the four-year old preschool program bringing the total general fund dollars to this program for FY 2011 to \$16. 2 million. The Education Budget, SF 2376, appropriated new money of \$12.2 million for FY 2011 to the program. (to Governor; effective July 1, 2011)
- SF 2033 This bill changed Iowa Code, where necessary, in order to allow Iowa to apply for federal Race to the Top funds as well as have a mechanism in place to turn around the persistently lowest achieving schools in order to receive federal School Improvement Grants. (Signed by Governor; effective July 1, 2010)
- SF 2376 Clarifies that Teacher Salary Supplement (TSS), Professional Development (PD), and Early will not be subject to an across the board (ATB) cut. (to Governor; effective upon signing by the Governor)
- SF 2376 Requires the Iowa Association of School Boards (IASB) to follow the requirements of the open meetings and open records laws. Also, requires IASB to post certain information on its internet site. (to Governor; July 1, 2010)

ENVIRONMENTAL PROTECTION

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

GREEN CLEANING IN SCHOOLS AND STATE AGENCIES

Encourages all school districts, community colleges, board of regents institutions, and state agencies to adopt an environmentally preferable cleaning policy for public buildings. They are to do an evaluation and assessment on implementing environmentally preferable cleaning. Allows any organization covered by the bill to opt out of implementing environmentally preferable cleaning policies based on this evaluation. Requires the Department of Administrative Services to provide information on environmentally preferable cleaning products used by the department or that the department is aware of.

HF 823 – Sent to Governor; Effective 7-1-10

PERIODIC EVALUATION OF AIR QUALITY STANDARDS

Requires the DNR to review air quality emissions standards each June 1 following the adoption of new or revised federal ambient air quality standards. The DNR must submit a report by November 1 of each of these years regarding recommendations for law changes necessary for the attainment of the new revised federal standards. The DNR must hold meetings as necessary to develop recommendations for state implementation plans to control the emissions of PM 2.5, with a report due by January 1, 2011.

HF 2418 – Signed by Governor; Effective 7-1-10

WATERSHED QUALITY PLANNING ADVISORY COUNCIL

Establishes a Watershed Quality Planning Advisory Council. The council is required to meet at least once per year and make recommendations to voluntarily improve water quality, create economic incentives for voluntary nonpoint source load reductions, point source discharge reductions, implementation of pollution prevention programs, wetland restoration and creation, development of emerging pollution control technologies, implementing total maximum daily loads, urban storm water control programs, nonpoint source management under the federal Water Pollution Control Act, new pollution control quantification procedures, broader public involvement, monitoring of flood risk and mitigation, and involving local and regional entities in watershed improvements.

HF 2459 – Signed by Governor; Effective 7-1-10

GREEN ADVISORY COMMITTEE

Creates a Green Advisory Committee. The committee will report by January 11, 2011, on the creation of a green advisory certification program to promote environmental stewardship and encourage responsible environmental management and recycling. The committee will encourage recycling projects that operate in an innovative, cost effective, technologically advanced, and environmentally sensitive manner.

HF 2496 – Sent to Governor; Effective 7-1-10

**DNR ENVIRONMENTAL
PROTECTION OMNIBUS
BILL**

Requires the DNR to submit a report, regarding greenhouse gas emissions in the state during the previous calendar year and forecasting trends, by December 31 of each year. Currently the DNR is required to submit the report by September 1 of each year. Allows DNR to apply for money for drinking water projects from the state revolving fund. Currently the DNR can only apply for waste water treatment projects.

SF 2243 – Signed by Governor; Various Effective Dates

OTHER BILLS OF INTEREST

HF 2437 Makes changes to the private sewage disposal system inspections and groundwater hazard statements. (Signed by Governor; Effective 7-1-10)

ETHICS

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

ETHICS IMPROVEMENTS

This bill will improve compliance with Iowa and House ethics laws and will provide better accuracy and transparency. This bill requires a sponsor of a reception to register prior to the function. After the function, the sponsor has to file a report disclosing the amount spent. In this way, we will know who is having receptions and can better track reporting of expenses. This will be done on a website and it will automatically show if a sponsor files late. The Legislative Ethics Committees will now have authority over clients as well as over legislators and lobbyists. Clients must file a yearly report that includes the total amount of all salaries, fees, retainers, and any other money paid to a lobbyist for lobbying both the legislative and executive branches. This will give us a total picture of how much a client spends to lobby for the passage or defeat of legislation.

(House File 2109, Signed by Governor, February 2, 2010)

HOUSE ETHICS RULES CHANGES

This resolution changes the process for handling a complaint in which there is no dispute as to the validity of the complaint. Under current rules, an independent special counsel would be called in, even if both parties agree the complaint is valid. This resolution would allow the ethics committee to bypass the independent special counsel and allow them to issue an admonishment, issue an order to cease and desist, or make a recommendation to the full House that the person who is the subject of the complaint be censured or reprimanded. In all other cases, the independent counsel would be brought in and would make a determination on whether probable cause exists that a violation of has occurred.

(HR 128, March 25, 2010)

HUMAN RESOURCES

IOWA HOUSE OF REPRESENTATIVES

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- HEALTH CARE REFORM** SF 2356 expands the provider network for the IowaCare Program to include community health centers. IowaCare members will be able to access primary care at the new expanded provider network. In addition, the Iowa Insurance Information Exchange is established. The Exchange will be a central location where Iowans can obtain information about health care coverage options, including comparison of benefits, premiums, and out-of-pocket expenses.
[Signed by Governor, Effective July 1, 2010]
- OFFICE OF LTC
RESIDENT ADVOCATE** Senate File 2263 establishes the office of the Long-Term Care Resident's Advocate. The office will be in the Iowa Department on Aging. The duties of the office are to receive, analyze, and investigate complaints of residents of long-term care facilities.
[Signed by Governor, Effective July 1, 2010]
- LOCAL BOARD OF
HEALTH** Senate File 2266 establishes the structure, powers, and duties of the local boards of health. The bill also provides an optional process for counties to merge and create a district board of health.
[Signed by Governor, Effective July 1, 2010]
- PHYSICIAN ASSISTANTS
FORM LLC** Senate File 153 allows physician assistants to form professional limited liability companies. A physician assistant still must perform medical services under the supervision of a licensed physician.
[Signed by Governor, Effective July 1, 2010]
- OBSCENE MATERIALS** Senate File 393 expands the definition of child abuse to when a parent or guardian knowingly forces a child to view obscene materials. If the child is likely to suffer harmful effects of being forced to view obscene materials, then the child can be adjudicated as a child in need of assistance (CINA).
[Sent to Governor, Effective July 1, 2010]
- HOSPITAL PROVIDER
ASSESSMENT** Senate File 2388 implements a self-imposed assessment on the largest hospitals in Iowa. The funds collected are matched with federal funds and paid back to hospitals to increase provider rates. The State of Iowa will be able to use the remaining funds for health related purposes. The assessment is a three year pilot project. The assessment must be approved by the federal government and will not be implemented until July 1, 2010.
[Sent to Governor, Effective upon enactment]
- HOME MODIFICATION
FOR ELDERLY WAIVER** Senate File 2267 requires the Department of Human Services to review the requirements for home modification under the Medicaid HCBS Elderly Waiver, including the lifetime cap. DHS is required to report their plan to increase the lifetime cap to the Legislature by December 31, 2011.
[Sent to Governor, Effective July 1, 2010]

BACKGROUND CHECKS FOR CHILD CARE PROVIDERS	House File 2283 removes the requirement of a federal background check every four years for child care providers and other individuals subject to the law. The bill now authorizes DHS to adopt rules regarding a national background check for child care providers and all others subject to the check. [Signed by Governor, Effective July 1, 2010]
ADULT ABUSE REGISTRY	Senate File 2333 sets regulations for hospital inspectors. In addition, the bill sets up a due process system for individuals investigated for dependent adult abuse in facilities. A person must be notified if they are being investigated for dependent adult abuse. The bill makes changes to when a person is placed on the central abuse registry while being investigated, and changes to the appeal process time frame. [Sent to Governor, Effective July 1, 2010]
IOWA NEEDS NURSES NOW INITIATIVE	Senate File 2384 creates an Iowa nursing workforce data clearinghouse in the Department of Workforce Development. In addition, creates financial aid options for nurse educators through private and public funds. The bill also creates an infrastructure fund for grants for nursing schools to purchase clinical educational equipment. [Sent to Governor, Effective July 1, 2010]

OTHER BILLS OF INTEREST

HF 2144	Iowa Department of Public Health Omnibus bill (Signed by Governor, Effective July 1, 2010)
HF 2183	Updates the membership and the duties of State Board of Health (Signed by Governor, Effective July 1, 2010)
HF 2193	Updates Iowa Code to incorporate the adoption of the National Scope of Practice Model for Emergency Medical Services providers. (Sent to Governor, Effective July 1, 2010)
HF 2402	Requires the Iowa Department of Public Health (IDPH) to establish a plan to implement a stroke triage system and registry. (Signed by Governor, Effective July 1, 2010)
HF 2403	Updates the state uniform controlled substance act with federal guidelines (Signed by Governor, Effective July 1, 2010)
SF 2117	Allows licensed optometrists to prescribe pharmaceutical delivering contact lenses. (Signed by Governor, Effective July 1, 2010)
SF 2149	Requires background checks for certified nurse aids prior to training program (Signed by Governor, Effective July 1, 2010)
SF 2156	Updates Iowa code to renew the IowaCare program (Sent to Governor, Effective July 1, 2010)
SF 2158	Updates Iowa code regarding child support recovery to comply with federal law (Sent to Governor, Effective July 1, 2010)
SF 2202	Updates state code with the federal Americans with Disability Act (Signed by Governor, Effective July 1, 2010)
SF 2331	Allows all licensed chiropractors to participate as a hawk-i provider (Sent to Governor Effective July 1, 2010)

JUDICIARY

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ENTICEMENT OF A MINOR Increases the penalty for attempting to entice a minor reasonably believed to be under 13 to a Class C felony and attempting to entice a minor reasonably believed to be under 16 to a Class D felony. The bill requires a person to commit an overt act to entice a minor to be convicted.

HF 2438 – Signed by Governor; Effective 7-1-10

**MENTAL HEALTH
HOSPITALIZATION
NOTIFICATION
(ED THOMAS BILL)**

Assures that law enforcement are notified when individuals hospitalized for a serious mental impairment are released from care if there is an arrest warrant or pending charges against the individual. Requires the Department of Public Safety to create a form to be used by law enforcement to be given to hospitals to assure law enforcement is notified under the requirements of the bill.

SF 2352 – Signed by Governor; Effective 7-1-10

**TEMPORARY RESTRICTED
LICENSE CHANGES**

Allows the DOT to grant all temporary restricted licenses (TRL) without requiring action by the judicial branch, including Operating While Intoxicated offenses. The bill allows individuals that have received certain OWI offenses to apply for a TRL sooner than current law under certain circumstances, such as installation of an ignition interlock.

HF 2452 – Signed by Governor; Effective 7-1-10

**LANDLORD/TENANT
NOTICE CHANGES**

Changes service of notice requirements for landlords and tenants. The bill provides for one or more methods to assure a tenant is served. The bill is in response to the War Eagle Village Apartments v. Plummer Supreme Court Decision.

SF 2300 – Signed by Governor; Effective 3-2-10

SERIOUS INJURY

Standardizes the definition of serious injury throughout the code to match the definition in the criminal definitions chapter of the Criminal Code.

HF 2374 – Signed by Governor; Effective 7-1-10

**UNDERAGE POSSESSION
EXPUNGEMENT**

Allows the expungement of a possession of alcohol under the legal age conviction if the person has not had any other criminal convictions, other than traffic violations or simple misdemeanors of motor vehicle laws, for 2 years after the violation. The bill requires that when a possession conviction is expunged that the conviction also be removed from the criminal history data files maintained by the department of public safety.

HF 2233 – Signed by Governor; Effective 7-1-10

**ATTENDANCE OF A CHILD
AT COURT PROCEEDINGS
AND MEETINGS**

Creates a presumption it is in the best interests of a child at least 14 years of age to attend all hearings and meetings related to juvenile court proceedings. If an age appropriate child does not attend a hearing, the court must determine if the child was informed of the right to attend. If a child is excluded from a hearing or meeting, the department of human services must maintain a written record of why the child was excluded.

SF 2298 – Signed by Governor; Effective 7-1-10

**APPOINTMENT OF
JUDICIAL OFFICERS**

Requires that no more than one appointed commissioner in a judicial district be from the same county unless each county is represented. Allows the Chief Justice to delay the appointment of a judge or magistrate for up to 180 days for the first 5 vacancies in a fiscal year and for up to one year for every vacancy after that. This delay is sunset on July 1, 2013. Allows the Chief Justice to reallocate judgeships if there is a substantial disparity in judicial workload between judicial districts, but only if a majority of the judicial council approves of the reallocation. This delay is sunset on July 1, 2013. Allows a district associate judicial nominee to reside in the judicial election district instead of in the county of the vacancy. Allows a magistrate to reside in a contiguous county to the county of appointment. Requires senior judge forms to be prescribed by the supreme court, rather than the court administrator. Allows a senior judge who is 78 to serve a one year term and a succeeding one year term at the discretion of the Supreme Court rather than a two-year term at the discretion of the supreme court.

SF 2343 – Sent to Governor; Effective 7-1-10

OTHER BILLS OF INTEREST

- HF 2377 Allows a judge to extend a period of probation up to one year, including one year beyond the maximum probation period allowed by law. (Sent to Governor; Effective 7-1-10)
- HF 2372 Provides that a person that commits an assault without the intent to inflict serious injury, but who causes serious injury, commits a Class D felony. (Signed by Governor; Effective 7-1-10)
- HF 2392 Transfers some abuse of a corpse provisions from the code chapters dealing with sexual abuse to code chapters dealing with assault. (Signed by Governor; Effective 7-1-10)
- HF 734 Implements the Uniform Adult Guardianship and Protective Proceedings Act. (Signed by Governor; Various Effective Dates)
- HF 2253 Updates Iowa's Uniform Disclaimer of Property Interest. (Signed by Governor; Effective 7-1-10)
- HF 2282 Prohibits a judgment lien from attaching to real estate claimed as a homestead except in certain enumerated circumstances. (Signed by Governor; Effective 7-1-10)
- HF 2307 Includes Medicaid restitution for crime victims on the list of entities that may be paid restitution by a criminal offender. (Signed by Governor; Effective 7-1-10)
- HF 2483 Makes changes to the trust and estate law, including provisions relating to state inheritance tax, uniform transfers to minors, and medical assistance claims. (Signed by Governor; Effective 7-1-10)
- HF 2478 Makes changes to provisions regulating the formulation and management of limited liability companies (LLC) under Iowa Code Chapter 489. (Signed by Governor; Effective 7-1-10)
- SF 2190 Allows a bankruptcy debtor who is an Iowa resident to exempt up to \$1,000 of any personal property, unlike current law that limits the exemption to any personal property not specifically exempted in Code Chapter 627. (Signed by Governor; Effective 7-1-10)
- SF 2138 Clarifies that the rights of an anatomical gift donee are superior to the authority of the designee named in the final disposition declaration. (Signed by Governor; Effective 7-1-10)

LABOR

IOWA HOUSE OF REPRESENTATIVES

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**WORKFORCE
ADJUSTMENT AND
RETRAINING
NOTIFICATION (WARN)**

House File 681 establishes an Iowa WARN Act. It requires employers of 25 or more full-time people to notify employees, or their representatives, and the department of workforce development of business closings that result in a layoff of 25 or more full-time employees in a 30-day period. The bill applies to public and private employers. Among the exemptions are faltering companies or unforeseeable business circumstances, a natural disaster, or if a faltering company that is not closing and has realistic opportunity to obtain the financing. The 30-day notice could be delayed due to severance pay, and the definition of a part-time employee under a collective bargaining agreement would be allowed to supersede the bill's definition. If an employer hires temporary workers to replace employees during the course of a strike or lockout, and later terminates these temporary workers at the conclusion of the strike or lockout, an employer is not required to serve notice to the terminated temporary workers. (HF 681, Signed by Governor, Effective July 1, 2010)

**EMPLOYEE
MISCLASSIFICATION**

House File 2531 allows the Department of Revenue to share information related to tax records with Workforce Development, to help them review potential violators under their employee misclassification unit. They are tasked with educating the business community on the issues of employee misclassification and to properly investigate those suspected of improperly classifying their workers as "independent contractors." Their results include:

- 116 employers misclassified almost 900 workers
- Total unreported wages were over \$15.5 million
- Total unemployment taxes due were \$556,000
- Total unemployment penalties and interest due were over \$156,000.

Due to this shared information, significant unreported taxes owed the state of Iowa through the program would be addressed. (HF 2531, Sent to Governor, Effective July 1, 2010)

**WORKER AND PUBLIC
SAFETY**

Senate File 2181 makes technical corrections to OSHA and code sections on elevators, boilers, and child labor. It replaces obsolete provisions concerning the adoption of OSHA standards with contemporary rule making standards. Per recommendations of the Boiler Pressure Vessel Board, it removes an internal inspection certain type of boiler without an inspection plate and it allows the board to write rules governing conversion of power boilers to low-pressure boilers. It removes requirements for both youth migrant labor permits and regular youth labor permits that require applicants under 14 to obtain a certificate from a registered nurse or physician. (SF 2181, Signed by Governor, Effective July 1, 2010)

**COLLECTIVE BARGAINING
AND TECHNICAL CHANGES
TO CHAPTER 20**

House File 2485 makes changes to Iowa's Collective Bargaining law. Chapter 20 has remained virtually untouched since the law went into effect in 1975, and thus the bill makes technical corrections that are needed in the law, including spelling errors, elimination of redundancies, and updates to reflect current practice. It removes fact finding as a step in the statutory impasse procedures and changes the legal standard in refusing to negotiate in good faith or engage in other prohibited conduct. A date is set in House File 2531 for an impasse procedure to commence of 120 days prior to the next federal fiscal year's budget. Without a budget certification date, employees in rural water districts have not been able to organize under Chapter 20. (HF 2485 and HF 2531, Sent to Governor, Effective July 1, 2010)

**MIXED MARTIAL ARTS
(MMA) REGULATED BY
THE LABOR
COMMISSIONER**

Senate File 2286 enhances enforcement of professional MMA events, and regulates amateur MMA events without any impact to the general fund. Currently the commissioner regulates professional Mixed Martial Arts (MMA) matches. Some professional MMA events escape regulation by claiming to be an amateur event, and enforcement mechanisms are weak. Over the past year, at least two incidents with amateur fights, one involving a 17-year old who was not provided emergency medical care, have raised issues with this increasingly popular sport. A participant would now have to be 18 under the bill. An event occurs if merchandise or refreshments are available for purchase. (SF 2286, Signed by Governor, Effective July 1, 2010)

**VOLUNTARY SHARED
WORK PROGRAM**

The Voluntary Shared Work Program allows an employer to apply to Workforce Development for a plan to reduce hours and prevent a mass lay off. Employees receive a percentage of their regular unemployment. Job search requirements are waived. Under Senate File 2279, a business participating in the Voluntary Shared Work Plan would be allowed to have more than one work plan in a 2-year period. (SF 2279, Signed by Governor, Effective July 1, 2010)

LOCAL GOVERNMENT

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

SMART PLANNING

Establishes a set of ten comprehensive planning principles that state and local governments should use in preparing for future growth. These principles are guides and are not mandates. Iowa's current code section on planning dates back to the 1950's and is based on a model law developed in the 1920's. In addition, a task force is created to consult with experts, local governments, and others; solicit information from the public; evaluate state policies, programs and laws; develop statewide goals; evaluate and develop incentives to conduct comprehensive planning; develop a model for regional comprehensive planning; and develop recommendations for a state comprehensive planning programs. (SF 2383, to Governor, effective July 1, 2010)

ELIMINATING NUISANCE PROPERTIES

Prevents properties that are considered nuisance properties from going to tax sale, and refunds the tax certificate holder if a nuisance citation is filed by the city after the sale. This will help cities clean up nuisance properties rather than allow them to pass from owner to owner. (SF 434, Signed by Governor, effective July 1, 2010)

COLLECTION OF USE TAX ON MANUFACTURED HOUSING

Requires that the manufactured housing or mobile home retailer collect the use tax from the buyer of the manufactured housing and forward it to the county treasurer or department of transportation. The retailer will also submit the application for a certificate of title on behalf of the owner. The certificate of title cannot be issued until the tax has been paid. Provides a process in cases where a certificate of title cannot be found for a manufactured or mobile home that has been converted to real estate by being placed on a permanent foundation and entered on the tax rolls. (SF 2199, Signed by Governor, effective 4/7/10)

COLLECTION OF REVENUE FROM FENCE DISPUTES AND WATER DISTRICT ASSESSMENT

This bill changes the method in which charges for fence construction or repair work are handled so that the township trustees certify the charges to the county treasurer rather than the auditor. Upon certification to the county treasurer, the amount is assessed as a lien on the parcel until paid and are collected in the same manner as county taxes. The bill also deals with assessments for water district improvements. When bonds are sold, the county treasurer rather than the auditor will receive a schedule of assessment for collection in installment payments in the same way as ordinary taxes. The bonds are still delivered to the county auditor. Also gives county treasurers permission to destroy old records. (SF 2254, Signed by Governor, effective July 1, 2010)

DEFINITION OF SUBDIVISION

This bill includes horizontal property regimes (condominiums) under the definition of a subdivision. It then requires that the plans for horizontal property regimes, located within 2 miles of the city's boundaries, be submitted to the city for review and approval like all other subdivision plans.

The purpose of the review is to make sure that any subdivisions, including horizontal property regimes, in unincorporated areas, meet the standards and conditions the city uses within its borders. (SF 2264, Signed by Governor, effective July 1, 2010.)

**CIVIL SERVICE
COMMISSIONERS**

This bill will allow civil service commissioners to sell goods and services to a city, as long as competitive bids are sought. This is already permitted for school board members and city council members. (SF 2350, Signed by Governor, effective July 1, 2010)

**RECORDERS' TECHNICAL
BILL**

This bill helps bring operations in county Recorder's offices up to date by clarifying that one index is needed for all real estate transactions since so much is now done electronically. Also defines grantee and grantor for indexing purposes only. (HF 2407, Signed by Governor, effective July 1, 2010)

**CITY DEVELOPMENT
BOARD MEMBERS**

This bill allows city development board members to serve unlimited terms on the board rather than just 2 six-year terms. Terms are also reduced to four years. (HF 2318, Signed by Governor, effective March 10, 2010)

**COUNTY TREASURER
DEBT COLLECTION**

The county treasurer may collect delinquent taxes, including penalties and interest, owed to the state when a vehicle owner appears to renew a their registration. If the full payment, plus a \$5 processing fee is made, the county treasurer can then issue the vehicle registration. If the payment is not made, current law forbids issuing the driver's license. The \$5 fee will be split between the county general fund and the department of transportation, until the department costs are covered. The payment will go to the state treasurer. In addition, the state court administrator and the county treasurers association are to develop a plan to allow treasurers to collect court debt by July 1, 2011. (SF 2383, to Governor, effective January 1, 2011.

NATURAL RESOURCES

IOWA HOUSE OF REPRESENTATIVES

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CONSTITUTIONALLY PROTECT FUNDING FOR NATURAL RESOURCES

On the November 2, 2010, election ballot there will be a question on whether Iowa should constitutionally protect a Natural Resources and Outdoor Recreation Trust Fund, for the purpose of protecting and enhancing water quality and natural areas in Iowa. It is left to the Legislature to establish the parameters for distribution of the funds. At this time, no revenue will be deposited into the fund until a future Legislature increases the state sales tax. At that time, $\frac{3}{8}$ th of 1¢ would go into this fund if the amendment is ratified by the voters in November. SF 2310 establishes the distribution of where this future revenue would be used. It is based upon recommendations of the Sustainable Funding for Natural Resource Advisory Committee. The bill is only implemented if the constitutional amendment is ratified and the sales tax is later increased. The revenue would be allocated as follows:

- 23% for the establishment, restoration, or enhancement of state parks, state forests, state preserves, wildlife areas, wildlife habitats, native prairies, and wetlands.
- 20% for soil conservation and watershed protection.
- 14% for watershed protection.
- 13% to Iowa's Resource Enhancement and Protection (REAP) Fund.
- 13% to local communities for the maintenance and improvements of parks, preserves, wildlife areas, wildlife habitats, native prairies, and wetlands.
- 10% for land and water trails.
- 7% for lakes restoration.

(SF 2310 Signed by Governor, effective 1/1/11 if amendment ratified)

STATE NURSERY

The State Nursery in Ames is authorized to sell bare-root tree seedlings and plant material out of state. Selling to other states opens up a market to our conservation seedlings that could increase sales and keep the cost to Iowa farmers lower. (HF 2531 Sent to Governor, effective 7/1/10)

LOADED DETACHED MAGAZINES

Allow hunters to keep the detachable magazine on their shotgun or rifle (clips) loaded in their vehicle, as long as the gun is taken down (disassembled) or totally encased. Attached magazines have to be unloaded. This bill only pertains to long-guns, not hand-guns.

(HF 2200 Signed by Governor, effective 7/1/10)

BIRD SHOTS ON HUNTING PRESERVES

Current law allows shooting birds on a hunting preserve with a minimum shooting range of 50 yards from the hunter. This bill clarifies that the birds are "game" birds, meaning pen-reared birds such as wild turkeys, grouse, pheasants, quail, and mallard ducks. It also reduces from 50 yards to 25 yards the minimum shooting range.

(SF 2216 Sent to Governor, effective 7/1/10)

- PEN-REARED PHEASANTS** Allows the release of pen-reared pheasants in Iowa on a person's farm. The birds have to come from a hatchery approved by the Department of Natural Resources. (HF 2310 Sent to Governor, effective 7/1/10)
- PHEASANT HABITAT - RESTRICTIONS ON MOWING DITCHES** Updates Iowa's ditch mowing regulations (both state and county roads). The purpose of the bill is improving habitat to help protect nesting pheasant populations. The bill prohibits mowing within the ditch prior to July 15, except within 200 yards of an inhabited dwelling (this 200 yards is the same regulation that says you cannot shoot a gun within 200 yards of an inhabited dwelling); within one mile of city limits; to promote native species of vegetation or other long-lived and adaptable vegetation; to establish control of damaging insect populations, noxious weeds, and invasive plant species; for visibility and safety reasons; within rest areas, weigh stations, and wayside parks; within 50 feet of a drainage tile or tile intake; for access to a mailbox or for other accessibility purposes; and on rights-of-way adjacent to agricultural demonstration or research plots. After July 15th, they can mow as much of the ditch as they like. There are no penalties attached to this law. (HF 2458 and HF 2531 Sent to Governor, effective 7/1/10)
- ELLIS HARBOR IN CEDAR RAPIDS** Exempts houseboat owners at Ellis Harbor, located on the Cedar River in Cedar Rapids, from all DNR dock requirements if the dock is in compliance with local city regulations. Allows current houseboat owners to continue to use their dock floatation devices that currently do not meet DNR requirements; however, at the time that they are replaced, they have to comply with DNR rules, and new owners are given six months from the date of transfer to get their floatation devices into compliance with DNR rules. (HF 2484 Signed by Governor, effective 4/10/10)

PUBLIC SAFETY

IOWA HOUSE OF REPRESENTATIVES

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DOMESTIC ABUSE – FORFEITURE OF GUNS

If a person is convicted of domestic abuse which involves the use or attempted use of physical force or threatened use of a deadly weapon, or is the subject a permanent protective order, they will lose the ability to own guns. If a law enforcement officer is party to a protective order, they may still use a gun, but only in relation to their job. Persons have three options when disposing of their guns: turn over to law enforcement, turn over to a person authorized by the court, or sell the guns. Once the protective order expires, the person may obtain guns. If they were convicted of domestic abuse, they may apply for reinstatement through the Governor's office.

SF 2357 – Signed; Effective 7-1-10

RESERVE PEACE OFFICERS INVOLVED IN VEHICLE ACCIDENTS WHILE ON DUTY

If reserve officers are involved in an automobile accident while in the line of duty, the accident will not be recorded on the person's driving record or be reported to their insurance company.

HF 426 – Signed; Effective 7-1-10

EMS REPORTING OF WOUNDS

Certified EMS providers may report a gunshot, stab wound, or other serious injury, which was received as a result of a criminal offense, or a motor vehicle accident or crash, to law enforcement.

HF 674 – Signed; Effective 7-1-10

DUTIES OF CERTIFIED LAW ENFORCEMENT OFFICERS

Allows for a certified law enforcement officer to administer oaths, acknowledge signatures, and take voluntary testimony. Exempts certified law enforcement officers and officers under the Department of Public Safety from needing to obtain a seal on uniform citations.

SF 2095 – Signed; Effective 7-1-10

CARE OF ANIMALS IN COMMERCIAL ESTABLISHMENTS

Authorizes the Department of Ag and Land Stewardship to inspect, on a complaint basis, federally licensed commercial establishments breeding companion animals such as dogs and cats. The complainant must give their name and contact information, which will remain confidential, unless the complainant is an organization. These establishments cannot be inspected to standards that are more strict than the federal Animal Welfare Act.

HF 2280 – Signed; Effective 3-9-10

FIRE SPRINKLERS IN RESIDENTIAL HOMES

Nullifies the administrative rules regarding the requirement of sprinkler systems in townhomes and one and two-family residences.

SJR 2009 – Effective 3-26-10

ISSUANCE OF PERMITS TO CARRY GUNS

Creates a standardized authorization process for all 99 county sheriffs when issuing permits to either acquire or carry weapons. If a sheriff denies or revokes a permit, the sheriff must document why. The applicant may appeal to the Department of Inspections and Appeals

before going to the district court. Disqualifiers are the same as under federal law. The sheriff can disqualify if probable cause exists that the applicant had at least one incident in the past two years that makes the person more likely to use the weapon unlawfully. Length of permits is increased from one to five years. Upon every renewal, applicant must either go through training or qualify at firing range.
SF 2379 – To Governor; Effective 1-1-11

TESTING OF INMATES FOR INFECTIOUS DISEASE Allows for inmates on parole, probation, or work release to be tested for infectious diseases if they assault someone and there is an exchange of bodily fluid.
SF 205 – Signed; Effective 7-1-10

OTHER BILLS OF INTEREST

- HF 2286 Strikes the criminal offense of detention in a brothel. [Signed; Effective 7-1-10]
- HF 2287 Separates the current offenses of public intoxication and simulated public intoxication into two different numbered paragraphs. [Signed; Effective 7-1-10]
- HF 2288 Strikes the current law which does not allow a vehicle to have more than two cowl lamps. [Signed; Effective 7-1-10]
- SF 2197 Does not allow minors to perform nude dancing and be called “theatre.” [Signed; Effective 7-1-10]
- SF 2304 Increases the property damage threshold in an accident, when a report is required to be filed with the Department of Transportation, from \$1,000 to \$1,500. [To Governor – Effective 7-1-10]
- HF 2319 Department of Public Safety bill regarding the regulation of the storage of flammable and combustible liquids. [Signed; Effective 7-1-10]
- SF 2305 Makes corrections to last year’s sex offender legislation, the Adam Walsh Act, SF 340. [Signed; Effective 3-26-10]

REBUILD IOWA AND DISASTER RECOVERY

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

SMART PLANNING

Establishes a set of ten smart planning principles that state and local governments should use in preparing for economic growth and to mitigate damage from future floods. These principles are guides and are not mandates. Iowa's current code section on planning dates back to the 1950's and is based on a model law developed in the 1920's. In addition, a task force is created to consult with experts, local governments, and others; solicit information from the public; evaluate state policies, programs, and laws; develop statewide goals; evaluate and develop incentives to conduct comprehensive planning; develop a model for regional comprehensive planning; and develop recommendations for a state comprehensive planning programs. In addition, \$30 million for flood prevention grants is provided for use by smart growth/comprehensive planning communities. (SF 2389 to Governor, effective July 1, 2010)

WATERSHED MANAGEMENT AUTHORITIES

Realizing that flood prevention and mitigation is a regional issue, not just local, this bill authorizes the creation of watershed management authorities using 28E agreements. The agreements can be between political subdivisions - cities, counties, and soil and water conservation districts. However, no political subdivision is required to participate. A county or a soil and water district can participate in more than one authority. Authorities can assess the flood risks, the water quality, and options to reduce flood risk and improve water quality; can monitor federal flood risk planning and activities; and can educate residents of the watershed area regarding flood risks and water quality. (HF 2459, Signed by Governor, effective July 1, 2010)

FLOOD PLAIN MANAGEMENT –

WATERSHED DEMONSTRATION PROJECTS

The Iowa department of natural resources and the department of agriculture and land stewardships, in collaboration with the Iowa Flood Center and the USDA's natural resources conservation service, and in cooperation with the water resources coordinating council, are to seek funding to plan, implement, and monitor a watershed demonstration pilot project for urban and rural areas. The project is to maximize water-holding capacity, minimize severe scour erosion and sand deposition during floods, manage water runoff in uplands under saturated soil moisture conditions, and reduce and mitigate structural and nonstructural flood damage. (HF 2459, Signed by Governor, effective July 1, 2010)

EDUCATION

A marketing campaign will be developed to remind Iowans that everyone is responsible for and benefits from reducing the risk of flooding as well as mitigating possible future floods. Iowa State University extension service, the department of natural resources and state agencies are to work with experts to educate Iowans about flood plains, flood risks, and basic flood plain management principles. (HF 2531, to Governor, effective July 1, 2010)

CASE MANAGEMENT

During the recovery efforts following the floods, tornadoes, and storms of 2008, a case management system was implemented to help individual disaster victims determine what assistance was available to them and to help them apply for and receive that assistance. This coordinated system is considered one of the successful efforts implemented in the wake of the 2008 disasters. This bill will make the individual case management system permanent so it is available for any future disasters. In addition, a task force is created to determine how a case management system can be established for businesses that may be affected in the future. (HF 2422, Signed by Governor, effective July 1, 2010)

INDIVIDUAL DISASTER ASSISTANCE

This program was established to assist middle class families to meet disaster-related expenses. The program allows DHS to reimburse families after they have made their purchases. The grant cannot exceed \$5,000. Many families do not have the ability to purchase the lost items and then wait for reimbursement. This bill allows a victim to receive a voucher to cover the cost of the item or items, up to \$5,000. (HF 2294, to Governor, effective July 1, 2010.)

DISASTER REBUILDING AND FLOOD PREVENTION

- \$30.4 million in funding through revenue bonds will be used for flood projects and flood mitigation:
 - Renovation of Cedar Rapids Former Federal Courthouse - \$2 million
 - Cedar Rapids and Linn County Projects- \$8.8 million
 - Mason City Small Business Center (\$1.5 million) and Linn County economic commerce building (\$1.2 million) - \$2.7 million total
 - Des Moines and Polk County Projects- \$9.5 million
 - Davenport - Woodman Stadium Flood Protection - \$1.05 million
 - Waterloo - Public Works Building - \$5 million
 - Iowa City - Wastewater Treatment Plant - \$2 million
 - West Union - Green Pilot Project - \$1.175 million
 - Jessup City Hall - \$475,000
 - Belmond - Storm Sewer Flood Protection - \$600,000
 - Norwalk - Orchard Ridge Drainage - \$300,000
 - Watershed Grants - \$2 million
- (SF 2389, to Governor, effective July 1, 2010)

FLOODPLAIN MANAGEMENT FUNDING

\$2 million will be used for floodplain management, focusing on improving floodplain mapping, assisting local entities with permits and planning, increasing inspections for safety and structural integrity of dams and levees, developing a statewide flood control plan, and assisting emergency management teams with flood events. \$400,000 may be used for stream gauges for predicting flood events and gathering data. (SF 2389, to Governor, effective July 1, 2010)

IOWA FLOOD CENTER

Provides \$1.3 million for the Iowa Flood Center at the University of Iowa to develop hydrologic models and improve flood monitoring and predictions, share resources and expertise, and develop a workforce knowledgeable in flood research, prediction, and mitigation strategies. (SF 2389, to Governor, effective July 1, 2010)

**WAIVING INTEREST AND
PENALTIES FOR DISASTER
VICTIMS**

This bill requires the director of the department of revenue to waive any interest and penalty due for those taxpayers who filed a return for tax year 2008 relying in good faith that Iowa would conform to federal laws. This includes Iowans who experienced losses due to the 2008 weather-related disasters. If the taxpayer has already paid interest and penalty, the department of revenue must provide a refund. (HF 2531, to Governor, effective immediately)

OTHER BILLS OF INTEREST

HF 2487

Recovery Zone Bonds (Signed by Governor, effective 4/7/10)

SF 2371

Royalty fees and credits for removal of sand and gravel (To Governor, effective on enactment)

STATE GOVERNMENT

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

REORGANIZATION OF STATE GOVERNMENT

Three actions taken by the Legislature and the Governor are estimated to save Iowa taxpayers \$265 million. Senate File 2088 is a result of the work of the Legislative interim commission charged with finding efficiencies in state government that would deliver services to Iowans in a more efficient and cost-effective manner. The bill also incorporates some of the Governor's cost saving and efficiency recommendations.

This bill, an early retirement program for state employees, and the Governor's executive order will help balance the state budget while maintaining key priorities in education and job creation.

SF 2088 - signed by Governor; various effective dates

EARLY RETIREMENT INCENTIVE PROGRAM

SF 2062 establishes an early retirement incentive program for state employees in the Executive Branch of state government. Employees eligible to participate in the program must be at least 55 years old and file a completed application for benefits with the Iowa Public Employees Retirement System (IPERS) to begin receiving retirement benefits no later than July 2010. Employees must submit an application by April 15, 2010, waive all rights to re-employment by the state, and leave state employment by June 24, 2010.

SF 2062 signed by Governor; effective February 10, 2010

PUBLIC EMPLOYEES' RETIREMENT PROGRAMS

Makes changes to three of the four public employees' pension systems. Changes to the Iowa Public Employees' Retirement System (IPERS) include changing the final average salary from the high three years to the high five years, increasing the age reduction penalty from 3% to 5% per year, and changing the vesting requirements from 4 years to 7 years. These are effective July 1, 2012. Changes are also made to the Peace Officers' Retirement System and the Municipal Fire and Police Officers' Retirement System.

HF 2518 – to Governor; various effective dates

ELECTION LAW CHANGES

Effective January 1, 2011, any candidate or committee involved in a county, city, school, or other political subdivision election that accepts monetary or in-kind contributions in excess of \$2,000, or incurs indebtedness in excess of \$2,000 in the aggregate in a calendar year, to expressly advocate for or against a clearly identified candidate or ballot issue is required to file all statements and reports electronically by 4:30 p.m. of the day the filing is due.

SF 2128 – signed by Governor; effective 7-1-10

**CORPORATE CAMPAIGN
FINANCE REGULATIONS**

The U.S. Supreme Court ruled in *Citizens United v FEC* that corporations are persons and, as such, have a right to participate in elections. This bill is a means to regulate corporate involvement in campaigns. A corporation cannot use its treasury to pay for an independent expenditure without the approval of a majority of the board of directors or similar leadership body. The authorization must occur in the same year as the expenditure and must expressly indicate whether the expenditure is to advocate for or against the nomination or election of a candidate or a ballot issue. Any material or ads produced by the corporation must include the “paid for by” attribution, the name and address of the corporation, and the name and title of the chief executive officer.

SF 2354 – Signed by Governor, effective 4/8/10

GENETIC TESTING

This bill bans genetic testing without written permission from the individual, bars release of that information without written consent, and insurance companies cannot discriminate based on the results of genetic testing. Many individuals in a family with a history of certain diseases would consider testing if they were not afraid of the consequences. Many women refuse to be tested for a genetic marker that indicates a propensity for breast cancer for fear that their insurance company would consider cancer a pre-existing condition and not cover cancer in the future.

SF 2215 - to Governor, effective July 1, 2010

OTHER BILLS OF INTEREST

- HF 788 Requires holders of certain liquor licenses to be responsible for criminal activity in areas adjacent to the licensed premises. (to Governor- effective July 1, 2010)
- HF 2531 Allows raffle tickets to be purchased with debit cards. (to Governor, effective July 1, 2010)
- HF 2531 Directs the Plumbing and Mechanical Systems Board to allow a person, not previously licensed in any jurisdiction, to take the State master licensing examination until September 30, 2010. (to Governor – effective July 1, 2010)
- HF 2531 Allows bingo to be conducted without a license if the prizes are donated and there is no admission fee charged. (to Governor – effective July 1, 2010)
- SF 2376 Requires the Iowa Association of School Boards to follow the requirements of the open meetings and open records laws. Also, requires IASB to post certain information on its internet site. (to Governor; July 1, 2010)

TRANSPORTATION

IOWA HOUSE OF REPRESENTATIVES

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TEXTING BAN

Drivers under the age of 18 years cannot use an electronic entertainment device or an electronic communication device while driving, unless it is installed in the vehicle or operated through permanently installed equipment. Drivers 18 years and older cannot use a hand-held communication device to read, write, or send a text message, but can use the device to make a phone call. The penalty for all ages is a \$30 fine, with harsher penalties if in an accident with serious death or injury. Fines begin July 1, 2011, and healthcare professionals and members of public safety agencies are exempted. Local governments are not allowed to adopt or continue to enforce local ordinances
HF 2456 – Signed; Effective 7-1-10

PROTECTING AUTO DEALERS

Puts in language stating that laws from other jurisdictions cannot be applied to Iowa's auto dealers. Also, contracts with franchises cannot require a dealer to offer only one make of autos.
SF 2234 – Signed; Effective 7-1-10
Does not allow a motor vehicle manufacturer, distributor, or importer to reduce the amount of compensation, or to disallow the claim for warranty work done by the dealer, if it is submitted within 60 days from the date that work was completed.
SF 2146 – Signed; Effective 7-1-10

ELECTRONIC ISSUANCE OF TITLES & REGISTRATION

Requires the Department of Transportation to conduct a study of how to implement a uniform statewide system that will allow for electronic registration and titling. The department must report back to the general assembly by December 1, 2010.
SF 2273 – Signed; Effective 4-7-10

SEAT BELTS

Requires all persons under the age of 18 years to use either a safety seat or seat belt. An exemption is made for the backseat if all seat belts are already being used. If a person age 14 years or older is not using a seat belt, they will get the ticket, not the driver of the vehicle.
SF 2381 – To Governor; Effective 7-1-10

TRANSPORTATION OMNIBUS BILL

Brings all vehicles that have been modified to accommodate a person with a disability under the \$60 registration fee. Specifies that business trade trucks, as defined in the TIME-21 law, applies to model year 2010 trucks and newer. Allows for parents needing a persons with disability placard for a child under the age of one year to get that placard with out supplying a social security number. Clarifies that local governments still retain local authority regarding limousine and taxi routes.
SF 2246 – Signed; Effective 7-1-10

**MOTOR CARRIER
CONTRACTS**

Prohibits certain indemnity clauses in motor carrier contracts that hold one the parties harmless, regardless of their actions or omissions.
SF 2220 – To Governor; Effective 7-1-10

**ATVs AND OFF-ROAD
VEHICLES**

Allows for ATV operators, while driving the ATV, to stop to get fuel or food or non-alcoholic drink. Adds off-road utility vehicles to the definition of ATVs for the purpose of traveling along designated routes by cities or counties, and to stop off at gas stations.
SF 2381 – To Governor; Effective 7-1-10

OTHER BILLS OF INTEREST

HF 2512 Allows for increased weight limits on certain commercial vehicles. [To Governor; Effective 7-1-10]

HF 2466 Allows driver's education teachers to be involved in one accident in a two-year period, as long as the accident does not involve serious injury or death. [Signed; Effective 3-19-10]

VETERANS AFFAIRS

IOWA HOUSE OF REPRESENTATIVES

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VETERAN SERVICES FOR INCARCERATED VETERANS

House File 2321 requires city and county jail personnel to ask if a prisoner is a veteran. If so, within 24 hours, the veteran may be entitled to a visit from a veterans service officer to determine if veteran services are required or available. In addition, within 3 days, the veteran must be provided contact information for the county veterans affairs office. The prisoner is allowed to contact the county veterans affairs office to request a visit.

[Signed by Governor, Effective July 1, 2010]

VETERANS MENTAL HEALTH COVERAGE

Senate File 2201 includes a provision that will require state regulated insurance companies to cover mental health and substance abuse treatment for veterans who are employed. The provision only applies to businesses with more than 50 employees. In addition, the provision takes effect on new or renewed, state regulated, insurance policies on or after July 1, 2010.

[Signed by Governor, Effective July 1, 2010]

FAMILY VISITATION DURING DEPLOYMENT

Senate File 2226 allows a parent, who is a member of the U.S. Armed Forces, to file a petition with the court to modify visitation rights to another family member while deployed. The modification must be in the best interest of the child and will end upon return from deployment. The bill takes effective immediately.

[Sent to Governor, Effective July 1, 2010]

MILITARY SPOUSE BENEFITS

House File 2110 allows unemployment benefits for an individual who left employment because of the relocation of the individual's spouse due to a military assignment in another area. Benefits would be paid out of the Unemployment Trust Fund.

[Signed by Governor, Effective July 1, 2010]

VETERANS HOLIDAY

House File 2197 requires employers to provide Veteran's Day off for any employee that is a veteran. The employer will determine if the time off is paid or unpaid. The employee must request Veteran's Day off one month in advance. In addition, the employee must show proof of their veteran status.

[Sent to Governor, Effective July 1, 2010]

INJURED VETERANS GRANT PROGRAM

House File 755 expands eligibility for the Injured Veterans Grant Program to include veterans who have suffered an injury requiring at least 30 consecutive days of hospitalization at a military hospital.

[Signed by Governor, Effective July 1, 2010]

HOME OWNERSHIP ASSISTANCE PROGRAM

House File 2148 allows military members to use lenders that are not currently associated with the Iowa Finance Authority (IFA) to obtain mortgages through the home ownership assistance program. In addition, outside lenders are able to apply for IFA's programs.

[Signed by Governor, Effective July 1, 2010]

NOTIFICATION OF TAX ASSISTANCE

House File 2384 requires the Iowa National Guard to work with the Iowa Department of Veterans Affairs to notify service members to contact the Iowa Department of Revenue regarding current or possible tax issues while deployed. Notification must occur prior to and after deployment.

[Signed by Governor, Effective July 1, 2010]

**WAIVERS AND REFUNDS
FOR VETERANS AND
SERVICE MEMBERS**

Senate File 2297 waives the fees for service members, veterans, and their families while deployed and after their deployment regarding utility disconnection, hunting and fishing licenses, and birth or death certificates. In addition, any state facilities can only charge actual costs for the use of state facilities for certain designated military events.

[Sent to Governor, Effective July 1, 2010]

**EDUCATIONAL BENEFITS
FOR VETERANS AND
FAMILIES**

Senate File 2274 extends educational benefits for service members and their family living in Iowa or on the Rock Island Arsenal for students at a community college or a state university in Iowa. In addition, the Iowa Department of Veterans Affairs is required to conduct a study regarding the need to provide greater postsecondary undergraduate education benefits for veterans and their dependents, including but not limited to dependent children of service-connected disabled veterans.

[Sent to Governor, Effective July 1, 2010]

**DISABLED VETERANS JOB
OPPORTUNITIES**

House File 2454 requires the Department of Veterans Affairs, the Department of Workforce Development, the Department of Education, the U.S. Department of Veterans Affairs, and the U.S. Department of Labor to develop programs to inform disabled veterans about federally funded job training opportunities in state government, and develop other job training programs to qualify for federal funding.

[Sent to Governor, Effective July 1, 2010]

**BENEFITS FOR SERVICE
MEMBERS AND FAMILIES**

Senate File 2318 requires the Department of Administrative Services to inform state employees and their families of their rights while the family member is deployed. Allows an active member of the peace officers' retirement system to purchase service credit for military service, not required to be recognized by federal law, upon payment of the actuarial cost of the service purchase. A service member's obligation or liability to pay a premium for professional liability insurance coverage will be waived during deployment. In addition, the bill complies Iowa Code with federal regulations to enforce banking rate limitations for military personnel and their.

[Sent to Governor, Effective July 1, 2010]

OTHER BILLS OF INTEREST

- HF 2137 Updates Iowa code regarding the Iowa National Guard and enforcement of controlled substances under Military Justice (Signed by Governor, Effective July 1, 2010)
- HF 2406 Requires the Iowa Department of Veterans Affairs to promote the preservation of the U.S.S. Iowa (Signed by Governor, Effective July 1, 2010)
- HF 2414 Expands the recognized military veterans units allowed to perform honor guard services on public property to include the coast guard auxiliary (Sent to Governor, Effective July 1, 2010)
- HF 2449 Requires the Iowa Department of Economic Development to encourage and assist small businesses owned and operated by disabled veterans to obtain contracts with the State of Iowa (Signed by Governor, Effective July 1, 2010)
- HF 2531 Exempts trailer registration for any trailer that is used exclusively for displaying flags in parades or ceremonies (Sent to Governor, Effective July 1, 2010)
- HF 2532 Exempts state income taxes for qualified veterans who receive reimbursement from the Veterans Trust Fund for travel assistance, medical care, or unemployment assistance (Signed by Governor, Effective January 1, 2010)
- SF 2175 Adds military representation on certain mental health policy boards. (Sent to Governor, Effective July 1, 2010)
- SJR 2007 Promotes the preservation efforts of the U.S.S. Iowa (Signed by Governor, Effective July 1, 2010)

WAYS & MEANS

IOWA HOUSE OF REPRESENTATIVES

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TAX CREDIT REFORM

The cost of tax credits grew from \$213 million in Fiscal Year 2007 to an estimated \$525 million in Fiscal Year 2011. After cutting the state budget about \$600 million the past two years, legislators felt it was fair to also review tax expenditures for savings opportunities.

The bill suspends the Film Tax Credit until July 1, 2013; repeals three little used credits; and makes adjustments to several other credits. While the maximum extra 6.5% Research Activities credit that may be awarded by the Department of Economic Development was cut to 3% for larger businesses, it was increased to 10% for businesses with less than \$20 million gross revenues.

The cap on new credits awarded by state agencies is cut from \$185 million to \$120 million per year and the cap on contingent credits under a long-term venture capital program is cut from \$100 million to \$60 million.

These changes will save about \$4.5 million in Fiscal Year 2011, \$23.6 million in FY 12, \$33.6 million in FY 13, with savings growing in future years as these changes begin to reduce the total amount of credits redeemed each year.

Accountability and Review: The bill set a schedule for reviewing 31 tax credits over the next five years to ensure that each accomplishes its original purpose and the costs are justified. Each credit will be reviewed again five years after its last review. This will be done by a new Tax Expenditure Committee that will provide a detailed report regarding those credits reviewed that year. The committee will also establish a system for making information available to the public regarding the amount and effectiveness of tax expenditures. (SF 2380 – Signed by the Governor; multiple effective dates.)

ENTERPRISE ZONE EXTENSION

The authority to designate new e-zones was due to expire on July 1, 2010. The bill extends this date to July, 2012. (HF 2370 – Signed by the Governor; effective July 1, 2010)

ESTATE “PICK-UP” TAX

Before 2001, Iowa had an estate “pick-up tax” that only applied if the federal estate tax allowed a credit for state taxes paid. In 2001, legislation began to phase-out the federal estate tax, eliminating it in 2010. The Iowa “Pick-up” tax was repealed as obsolete in 2008.

- However, if no action is taken by Congress, the federal estate tax will automatically be reinstated as it existed in 2001.
- This bill reinstates the Iowa “pick-up” tax only if the federal estate tax is reinstated with a credit for state taxes. This will not increase anyone’s taxes, but will let Iowa capture a portion of the revenue from the federal government.

(SF 2380 – Signed by the Governor; multiple effective dates.)

INCOME TAX ADVICE FOR FOR MILITARY

Requires the Iowa Department of Veterans Affairs, in coordination with the National Guard, to advise service members regarding tax issues such as regarding filing returns and tax payments prior to and after returning from active duty deployment outside of the United States. (HF 2384 – Signed by the Governor; effective July 1, 2010)

INCOME TAX - DISASTER AREAS WAIVE PENALTY AND INTEREST

This waives all penalty and interest for paying too little income tax as a result of taking disaster deductions for the 2008 tax year. Congress approved these deductions and, although they were listed in the 2008 Iowa income tax instructions, the legislature could not adopt these deductions due to budget shortfalls.

(HF 2531 – Sent to the Governor; effects the 2008 tax year)

INCOME TAX - VETERANS TRUST FUND	Exempts funds received from the Veterans Trust Fund by: 1. A wounded veterans for travel expenses directly related to follow-up medical care. 2. Any veteran for assistance while unemployed due to prolonged physical or mental illness or disability resulting from military service. (HF 2532 – Signed by the Governor; effective for tax years beginning January 1, 2010, and after)
INCOME TAX - BROWNFIELD	This tax credit redevelopment projects in Brownfield areas has no funding after July 1, 2010. This bill lets DED allocate funds under its \$120 million tax credit cap. (HF 2531 – Sent to Governor; effective July 1, 2010)
INCOME TAX - CHECKOFFS -- CHILD ABUSE -- FIRE FIGHTER -- VETERANS	Only four checkoffs appear on the income tax form at any time and the lowest two revenue producers drop off every two years. Currently the four are the: (1) State Fair, (2) Fish and Wildlife, (3) Child Abuse, and (4) a joint one for the Volunteer Firefighters and the Veterans Trust Fund, which split the revenue equally. This bill reinstates the Child Abuse and the joint Volunteer Firefighter / Veterans Trust Fund Checkoffs, which otherwise would be eliminated next year. (HF 2531 – Sent to the Governor; effects tax years beginning January 1, 2010)
SALES TAX - STREAMLINED AGREEMENT UPDATED	Iowa is one of 22 voting members of the Streamlined Sales Tax Agreement (SSTA), which seeks to make definitions and other sales tax laws more uniform, thus making tax compliance easier for businesses. This bill makes changes to bring Iowa sales tax laws into compliance with recent decisions of the SSTA. (SF 2375 – Sent to the Governor; effective on date signed)
SALES TAX REGIONAL BLOOD TESTING LABS	Blood centers are consolidating testing in regional labs to cut costs, so 30 Iowa lab jobs will be relocated. If the regional lab locates in Iowa, it will save 30 jobs and transfer 40 jobs from other states, but competing states don't tax certain lab items. This exempts reagents and related equipment from the sales tax for a regional blood testing facility, if one is located in Iowa on or before January 1, 2011. The exemption is repealed on that date if this does not occur. (SF 2387 – Sent to the Governor; effective July 1, 2010)
TAX & DEBT COLLECTION BY COUNTY TREASURERS	Allows county treasurer's to collect delinquent taxes, including penalties and interest, owed to the state when a vehicle owner renews the vehicle's registration. The person must pay the debt, plus a \$5 processing fee, before the treasurer can issue the registration. (SF 2383 – Sent to the Governor; effective January 1, 2011)
UTILITY REPLACEMENT TAX UPDATED	In 1998, Iowa eliminated the property tax on electric utilities and replaced it with excise taxes on generation and transmission. This closes a loophole and applies the replacement tax to co-generation plans that are larger than 200 megawatts and sell excess electricity. (SF 2373 – Sent to Governor; Applies to tax years beginning on or after January 1, 2010)
WINE TAX	Applies the \$1.75 per gallon tax on previously exempt Iowa native wines with all revenue going to a special fund used by the Department of Economic Development to promote Iowa produced wine and beer. (HF 2531 – Sent to the Governor; effective July 1, 2010)

OTHER BILLS OF INTEREST

- HF 2531 Puts same penalty to incorrectly apply for a tax credit as for a tax refund. (Sent to Governor)
SF 2371 Sets the royalty fee to dredge Cedar River sand and gravel in Linn County. (Sent to Governor)