

Legislative Newsletter

May 7, 2021



The Iowa General Assembly has a start/stop pattern for several weeks as the Republican Leadership in both Chambers and the Governor work through a logjam on tax policy and spending decisions. Two budget bills have been sent to the Governor, but otherwise the Iowa House and Iowa Senate have moved some appropriations bill to position them for when an agreement is reached. Legislative leaders over the weekend have indicated that it will probably be up to two weeks before adjournment of the Iowa General Assembly.

The standings bill, which is the catch-all bill brought forward at the end of session, has been introduced. **House Study Bill 277 (now House File 894)/Senate File 615** make standing appropriations, although technical corrections and other non-appropriation provisions. Right now, our team is waiting to see what will be added and will update you as relevant appropriation or provisions are added. The House Appropriations Committee passed their standings bill 15-7 this week.

The chambers also have dueling tax bills; the Governor's tax bill is reflected in the Senate bill (see below) while the House tax bill, House File 839, was passed out of committee Thursday. Among the highlights in the bill:

Income Tax: Strikes the triggers and allows the 2018 income tax changes to go forward.

Child Credit: Increases the income level for eligibility for the Child Dependent Development Credit to \$90,000.

COVID: Exempts COVID grants and PPP relief from the income tax. Repeals the grant relief provisions as of 2024.

Telehealth: Telehealth services delivered through interactive electronic media at the same rates as other services. Bars requiring an additional professional to be in the same room as the patient. Effective on enactment and retroactive.

Septic Tanks: Prohibits counties from imposing a fine on a person for failing to comply with rules from the county sanitarian on pumping septic systems.

Firefighters/EMS: Increases the tax credit for volunteer firefighters and EMS workers to \$250.

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Sales Tax: Exempts tangible personal property and specific digital products purchased by a non-profit food bank or municipal utility/rural electric coop from the sales tax. Requires the purchase to be for charitable purposes if for a food bank.

The Senate tax bill (**Senate Study Bill 1276**) includes:

Property Taxes: Shifts mental health funding to the state and ends the property tax backfill.

Income Tax: Same as the House bill.

Child Credit: Same as the House bill.

COVID: Same as the House bill.

Telehealth: Same as the House bill.

This bill does not include firefighters/EMS provisions, or sales tax provisions. However, the Senate bill also includes **Manufacturing 4.0:** Creates the Manufacturing 4.0 Technology Fund for investments into smart technologies used to improve current manufacturing processes. Allows grants, loans and forgivable loans. Includes requirements for applications and a cap on assistance of \$75,000. The Senate bill also includes **schools:** Increases the state school aid base to 88.4% as of the 2022-2023 school year. Authorizes a voter-approved property-tax levy for school playground equipment.

Gov. Reynolds signed the following bills this week:

Senate File 554: This bill authorizes county governments to follow the same procedures for acquiring abandoned property that cities use, with an exclusion for various farm buildings. This bill passed both chambers unanimously.

Senate File 252: This bill drew quite a bit of contention from local governments. It prohibits cities and counties from adopting ordinances that prohibit landlords from refusing to accept federal housing vouchers. An ordinance in effect as of January 2021 may stay in effect until January 2023 and makes ordinances void after that. This bill passed the House 56-38 and passed the Senate 30-17.

Senate File 357: This bill limits where a judge may authorize between 6 and 24 hours of detention for a juvenile (areas outside of metropolitan areas), and prohibits courts from allowing a juvenile over 16, where the court has waived jurisdiction due to the offense, from being held in an adult facility without a hearing and finding that doing so is in the best interest of the child and community. The bill establishes the requirements for holding a minor, including no contact with adult inmates, regular hearings, and time limits. Minors must have the rights of an adult. This bill will take effect Dec. 18, 2021. It passed both chambers unanimously.

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The following bills were enrolled for the Governor:

Senate File 356: The agro-tourism bill. This bill creates liability protections for farm tourism. It limits liability due to inherent dangers, failure of a visitor to follow instructions, or for ignoring signs or taking unreasonable actions. It excludes illegal or intentional acts, willful misconduct, gross negligence failure to give notice of a dangerous condition and similar reasons. Notice must be given with prominent signs and in any contracts or waivers.

An amendment from the House strikes the requirement that a farm be at least 40 contiguous acres and that it be a homestead, and adds additional crops as farm crops. The Senate concurred with this amendment. The bill passed the House unanimously and passed the Senate 31-17.

House File 889: This bill was fast-tracked since its introduction just more than a week ago. It would prohibit the state or local governments from noting on an ID whether the holder has received a COVID vaccination. Businesses or government agencies would be prohibited from requiring a person to show proof of a COVID vaccination in order to enter; businesses/government agencies that do so would be ruled ineligible to receive state contracts or grants. There is an exception for hospitals and health care facilities. Effective immediately. This bill passed on mostly party lines: 58-35 in the House; 32-16 in the Senate.

House File 802: This bill establishes the requirements for training and curriculums on racism and sexism in schools and colleges and state and local government, including prohibiting teaching that Iowa is fundamentally racist or sexist. The bill also prohibits the teaching divisive concepts and race or sex scapegoating. The Senate adopted an amendment to change the “diversity training” to “training on specific defined content.” The amendment listed such content, but does not prohibit teaching about slavery and racial discrimination. The House concurred with the amendment. The Senate passed the bill 30-18; the House passed it 53-35.

Senate File 592: This is the transportation/infrastructure/capitals appropriations bill. The overall proposed appropriation was \$397.7 million for fiscal year '22. The bill passed both chambers unanimously.

The House worked late Thursday night into Friday, sending bills to the Senate as well as to Governor following debate:

House File 860: The House Agricultural and Natural Resources appropriations bill. The overall proposed budget from the House for fiscal year '22 is \$54.8 million. Of note, REAP funding was extended with \$12 million from the Environment First Fund. This bill passed the House 54-36 and now goes to the Senate.

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