

May 20, 2021

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## Appropriations

### House, Senate Reach Agreement on Fiscal Year 2022 Budget

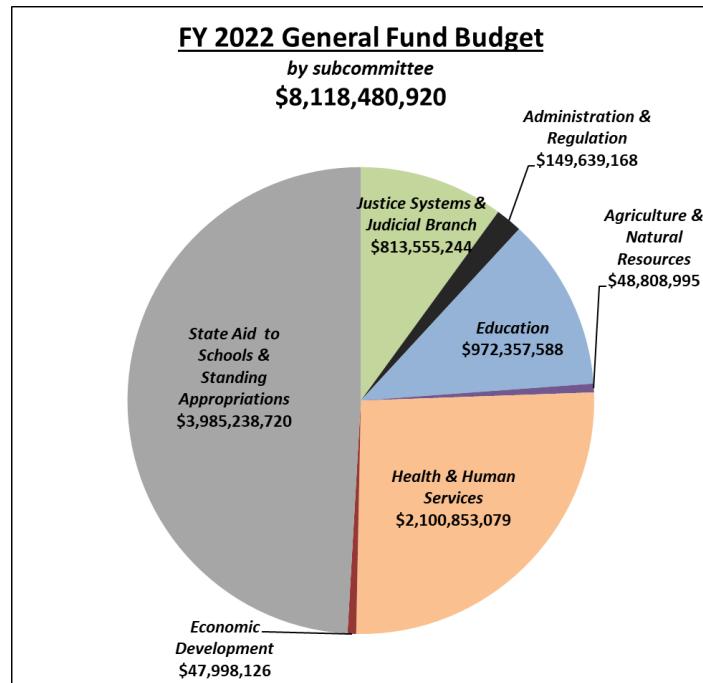
Work concluded this week on the Fiscal Year 2022 budget, as House and Senate Republicans reached agreement. The General Fund budget will spend \$8.1185 billion in the year beginning July 1. Once again House Republicans ensured the state spends less than it collects in revenue. The budget spends 97.66 percent of the ongoing revenue the state is expected to be collected in Fiscal Year 2022. This is an increase of \$291 million over the current fiscal year.

Even with the growth in spending, the state's accounts will be in very good shape under the budget. Both the Cash Reserve Fund and the Economic Emergency Fund will be filled to their maximum level. The Taxpayer Relief Fund will have \$316.4 million in its account, although that number may be higher as FY 2021 revenue continues to come in at a higher rate than the Revenue Estimating Conference has projected. And the FY 2022 ending balance will be \$400 million.

The state of Iowa's fiscal picture continues to be bright, thanks to the strong, sensible leadership shown by House Republicans over the past 11 sessions.

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### House Gives Final Passage to Beginning Farmer Expansion and Update Measures

On Wednesday, May 18, 2021, the Iowa House of Representatives passed Senate File 619 which contained provisions expanding and updating the Beginning Farmer Ag Asset Transfer tax credit program that was incorporated into a larger omnibus bill dealing with tax issues. The Beginning Farmer Tax credit program changes in the bill were provision that were in House legislation that passed the House six weeks ago (House File 694). The Beginning Farmer program that are part of SF 619 reduces some of the financial burdens of getting into farming by providing tax incentives to landowners who transfer or lease agricultural assets to beginning Iowa farmers. Since the measure passed in identical form as it passed the Senate, the measure now goes to Governor Reynolds for her consideration and likely signature and enactment. The newly-passed legislation would expand the program by doing the following:

- Specifying that an agricultural asset subject to a qualified agreement may include an agricultural improvement (building)
- Removes a requirement that a qualified lease must include agricultural land.
- Increases the current 10-year maximum that a taxpayer may participate in the program to 15 years.
- Allows a taxpayer to participate in the program through multiple agreements and with more than one qualified beginning farmer.
- Allows agreements to be renewed more than once.
- Changes the current \$50,000 per year limit on the annual amount of tax credits a single taxpayer may earn to \$50,000 per year, per agreement limit.

### House Give Final Okay to Ag & DNR Budget Measure

On Tuesday, May 18, 2021, the Iowa House passed House File 860 by a partisan 54-aye to 36-nay vote. The legislation appropriates \$142.1-million with \$48.8-million of general funds, \$42-million in Environment First funds, and 51.3-million in other funds, (principally ~\$46.3-million in Fish & Game fund moneys).

The general fund appropriation aspect of this budget bill was reduced by \$6-million compared to what the House approved on May, 7, 2021. To reach agreement with the Senate-- the House reduced the expansion of the Foreign Animal Disease program by one-half (\$250,000 increase instead of \$500,000 increase); reduced the inaugural appropriation for the Value-Added Agricultural Grant Program by one-half from \$500,000 to \$250,000; agreed to not start and fund a 1:1 grant program to help install rollover protection system equipment on older tractors not originally so equipped, and agreed not to provide a \$25,000 assistance to help with the cost of the state hosting the National County Agriculture Agent National Convention scheduled to held in Iowa in August of 2023. The House also agreed to lower the increase of funding for the Renewable Fuels Infrastructure cost-share grant from \$11-million to \$5-million that the Governor asked for because the legislation that would have enabled the higher funding level didn't garner sufficient legislative support.

With the funds not spent by the agreement with the Senate, the House accepted shifting more of the Loess Hills Development and Conservation fund appropriation to general fund moneys (\$400,000 instead of \$50,000) and agreed to fund a similar South Iowa Development and Conservation fund with \$250,000 of general fund monies. With the shifting of \$350,000 to the Loess Hills Development and Conservation fund to general fund moneys, from EFF sourced within line-item allocation to IDALS for Soil & Water Conservation efforts, it allows an additional \$350,000 of funds in that EFF appropriation to be allocated to support soil conservations cost-share.

## Commerce Legislation Signed by Governor

So far, this legislative session, Governor Reynolds has signed several pieces of legislation that started in the Commerce committee. These bills include:

### **HOUSE FILE 235 – SERVICE CHARGES**

This bill permits a service charge for pre-computed loans

### **HOUSE FILE 284 – PROFESSIONAL ENGINEER LICENSURE**

This bill updates streamlines the requirements for obtaining a professional engineering license.

### **HOUSE FILE 236 – LIFE INSURANCE INVESTMENT OF FUNDS**

This bill allows for securities collateralized by US Treasury notes are added as approved short-term investment by life insurance companies.

### **HOUSE FILE 390 – FLUORIDE NOTIFICATION**

This bill requires a notice to customers before permanently discontinuing fluoridation in the water supply.

### **HOUSE FILE 693 – IUB DEPARTMENT BILL**

Authorizes an administrative law judge. Streamlines utility assessments. Provides flexibility for payment of dual-party relay assessments. Brings pipeline safety penalties into compliance with Federal law. Offers parity for interstate and intrastate pipeline inspection fees.

### **HOUSE FILE 583 – FLOOD INSURANCE FRAMEWORK**

This bill creates a framework for offering private flood insurance in Iowa. Federal changes have created an opening where private flood insurance could be less expensive for consumers than options offered through the federal government. Iowa is a leader in the insurance industry and this legislation is important for the state to retain its leadership role in the country.

### **HOUSE FILE 555 – FUEL CHOICE**

This prohibits a county or city from banning the provision or purchase of natural gas or propane. This bill ensures that consumers have access to diverse energy options, keeping the lights, power, and heat on regardless of wind or sun conditions.

### **HOUSE FILE 556 – TERMINATION OF AGRICULTURAL DEALERSHIP AGREEMENTS**

This requires a supplier to repurchase inventory if a dealership agreement is terminated by the supplier or dealer. This bill clarifies the rights of equipment dealers to provide protections with the supplier when an agreement is terminated.

## House Republicans Pass More than \$78 Million for Economic Development

This week the House passed House File 871—the Economic Development Budget. The bill appropriates a total of \$48.0 million from the General Fund, \$29.8 million from other funds, and authorizes 556.68 full-time equivalent

(FTE) positions to the Department of Cultural Affairs (DCA), the Iowa Economic Development Authority (IEDA), the Iowa Finance Authority (IFA), the Public Employment Relations Board (PERB), the Iowa Workforce Development (IWD), and the Iowa Board of Regents (BOR) for FY 2022. **Many of the line items within the budget were status quo from fiscal year 2021, but are some new and exciting programs being funded.**

**One new program is the butchery innovation fund and program. The budget bill provides \$750,000 from the general fund for new program.** The line item creates the fund in the state treasury under the control of IEDA. The fund must be used to provide financial assistance in the form of grants, low-interest loans, and forgivable loans. IEDA must establish and administer the program for the purpose of awarding assistance to eligible businesses for projects that expand or refurbish, or that establish a new, state or federally inspected small-scale meat processing business, licensed custom locker, or mobile slaughter unit. The program will give priority to eligible businesses whose proposed project will create new jobs; create or expand opportunities for local small-scale farmers to market processed meat under private labels; or provide greater flexibility or convenience for local small-scale farmers to have animals processed.

Other provisions in the Economic Development budget that are crucial to Iowa's economic growth includes language for a fiberoptic network conduit installation program and a broadband forward/telecommuter forward certification program. These provides that the OCIO should consult and coordinate with public utilities, the DOT, the IEDA, county boards of supervisors, municipal governing bodies, the farm-to-market review board, county conservation boards, and the boards, commissions, or agencies in control of state parks when doing broadband projects. The bill also provides that a political subdivision can apply to the IEDA for broadband forward certification or telecommuter forward certification on forms prescribed by the authority by rule. The authority will develop the criteria for evaluation of applications. Both broadband provisions move Iowa toward more connectivity and modernization.

House File 871 went down to the governor for her signature after passing with a vote of 54-36 in the House. House Democrats complained it was a status quo budget with nothing to be excited about. House Republicans were enthusiastic to provide a nearly \$7.0 million increase in economic development funding over fiscal year 2021 and look forward to supporting Iowa's economic development in future budgets.

## Education

### Key House Republican Priorities Part of Education Budget

The FY 2022 Education Appropriations bill appropriates \$970,357,588 in FY22 in General Fund dollars for the Department for the Blind, the College Student Aid Commission, the Department of Education, Community Colleges, Vocational Rehabilitation, Iowa Public Television, and the Board of Regents. This is an increase of \$24,431,888 over Estimated FY 2020. This budget positively impacts children from birth all the way through higher education. Not only have House Republicans made education the top priority through funding, but also through making sure parents and families have a voice in their child's education. School boards more interested in politicizing classroom instruction no longer can ignore parents and indoctrinate students with their preferred political beliefs. Schools will be held accountable for attempting to indoctrinate our children. The Department of Education will have new oversight over these schools partnering with parents who now have the tools at their disposal to take charge of their child's education.

Here are some of the changes in the proposed budget:

#### Department for the Blind

- ✓ \$528,723 increase for the Department for the Blind

#### College Student Aid Commission

- ✓ Healthcare Professional Recruitment Program = \$100,000
- ✓ All Iowa Opportunity Scholarship = \$100,000

- ✓ Rural Primary Care Loan Program = \$300,000 increase
- ✓ Rural Veterinarian Loan Repayment Program = \$100,000
- ✓ Future Ready Iowa Last-Dollar Scholarship = \$10,000,000 increase
- ✓ Iowa Tuition Grant = \$1,192,587 increase
- ✓ Iowa Tuition Grant – For-profits = \$30,000 increase

#### **Department of Education**

- ✓ Early Childhood Iowa = \$544,000 increase
- ✓ Nonpublic Textbook Services = \$ 200,000 increase
- ✓ iJAG (Jobs for America's Grads) = \$2 million increase
- ✓ Children's Mental Health Training = \$1,083,936 increase
- ✓ NEW ITEMS:
  - Early Lit Iowa Reading Research Center = \$250,000
  - Classroom Environment Professional Development = \$500,000
  - Therapeutic Classroom Incentive Fund = \$1,626,075
  - Therapeutic Classroom Transportation = \$500,000
  - Every Step = \$83,936

#### **Community Colleges**

- ✓ \$6,467,272 million increase for the Community Colleges

#### **Vocational Rehabilitation**

- ✓ \$300,000 increase for Vocational Rehabilitation

#### **Iowa PBS**

- ✓ \$100,000 for Iowa PBS operations

#### **Board of Regents**

- ✓ \$0 increase for Regent Universities
- ✓ \$252,868 increase for the Iowa School for the Deaf
- ✓ \$106,427 increase for services for Blind and Visually Impaired

## **Environmental Protection**

### **DNR, IDALS and Other Partners to Host Free Online Panel Discussion on Drought Conditions**

On Thursday, May 13, 2021, the Iowa Department of Natural Resources (DNR) published its electronic newsletter 'EcoNewsWire' that contained an announcement that Iowa DNR and the Iowa Department of Agriculture and Land Stewardship, along with other state and federal partners, will host a free online webinar May 26, 2021, to discuss drought conditions in Iowa. The webinar, hosted on Zoom from 10 to 11 a.m., will update stakeholders on current and projected drought conditions in Iowa. Panelists will include state and federal experts who will provide information on precipitation, streamflow, groundwater, and spring and summer outlooks. Information on joining the webinar is available at <https://www.iowadnr.gov/WaterSummaryUpdate>.

### **DNR Announces Grant Opportunity for Food Storage Capacity**

On Thursday, May 6, 2021, the Iowa Department of Natural Resources (DNR) published its electronic newsletter 'EcoNewsWire' that contained an article with an announcement that DNR is offering a third and final targeted food storage capacity grant opportunity to help address food waste, an issue that negatively impacts environmental, economic and social sustainability in Iowa and across the country. The competitive grant opportunity helps efforts to expand storage and cold storage of donated food. Food banks, food pantries and other non-profit organizations receiving donated food for distribution to food insecure Iowans are eligible to apply. The final round of grant funds has \$135,000 available. Information and application materials can be downloaded at [www.iowadnr.gov/FABA](http://www.iowadnr.gov/FABA) under the "Food Waste" tab. Applications will be reviewed on an ongoing basis until available funds have been awarded.

# House Passes Bipartisan Mental Health Funding and Property Tax Relief

This week, the House passed legislation that reduces property taxes statewide by almost \$100 million by phasing out the mental health property tax levy and creates long-term sustainable funding to support Iowa's community-based system to support local mental health providers. This bill ensures state oversight of the 14 Mental Health and Disability Services Regions to drive outcomes improvement for adults and children with mental health conditions. Importantly, this bill also expands access to mental health care through telehealth which will ensure that every Iowan has timely access to mental health care, especially rural Iowans.

Specifically, [Division XXV of Senate File 619](#) distributes state general fund dollars to the MHDS Regions on a per capita basis and based on performance based contracts with the Iowa Department of Human Services. The state appropriation begins this fiscal year at \$50.4 million, and increases over the next few fiscal years to \$120.28 million, \$127 million, and then \$133.7 million. Starting in Fiscal Year 2026, the MHDS Regions will receive an increase by 1.5% if state sales tax growth allows.

This bill ensures proper oversight of these local budgets by requiring state approval of each budget and maintains that ending fund balances remain at a reasonable level. If a Region's ending fund balance exceeds these thresholds, the state will route funds away from the Region and into an incentive fund. This incentive fund was appropriated \$3 million to start and will be used to improve outcomes for Iowans with mental health conditions.

This legislation was strongly supported by mental health advocates statewide, including NAMI. This bill was a long time coming, and House Republicans are proud to move the responsibility of funding the mental health system away from property taxpayers and to the state with long-term sustainable funding.

## HHS Budget Provides Increases for Child Care, Mental Health, Health Care Providers

This week, the House and Senate passed the [Health and Human Services Budget](#) with a bipartisan vote. Below is a list of highlights of the significant investments to advance access to child care and mental health, and support health care providers who have worked extremely hard throughout the public health emergency. In total, this budget appropriates \$2.1 billion of state general fund (in total with federal money and other funds it is over \$6 billion) towards Medicaid, child care, child welfare, public health, and aging and veteran services.

- Mental Health providers and families receiving \$33.5 million in rate increases through Medicaid.
  - Psychiatric Medical Institutions for Children (PMICs) receive a \$10.3 million increase (\$3.9 million state funding).
  - Home-Based Habilitation (helps keeps high needs individuals with mental health conditions out of the hospital and jail) receives a \$20.5 million increase (\$7.1 million state funding).
  - \$2.7 million buydown to reduce the children's mental health waiver waitlist (1 million state funding).
  - Increase rural psychiatric residency funding by \$200,000 (total \$600,000) to continue to expand the number of psychiatrists in rural Iowa.
  - Allows Polk County to transfer money within the county to their MHDS Region.
- \$50.2 million nursing home increase (\$20 million state funding) – Iowa's 444 nursing homes have worked tirelessly throughout the public health emergency to protect their vulnerable residents. This funding will also ensure that the increased divide between Medicaid residents and private pay residents do not continue to increase costs on private pay residents.
- In addition to the home-based habilitation numbers above, this budget provides \$25.7 million increase to help keep Iowans in their homes, rather than in higher cost settings like a nursing home, but providing \$11

- million in home and community-based services increases and \$2 million in home health increases with state funding.
- Child care – increases rates by \$13.4 million to get up to 50% of the market rate survey – House File 292.
  - Increase funding to the State Medical Examiner at the Governor’s recommendation to make sure they can afford another forensic pathologist to keep up with autopsies in the state as less counties are providing the service.
  - Funds an additional 32 FTEs to DHS field operations in this current fiscal year and adds another 53 FTEs over the next two years to protect children when there is a suspicion of child abuse.
  - Provides a \$1 million to the family development and self-sufficiency program to provide support to Iowans working to move up the economic ladder.
  - Fund \$425,000 to a health care entity in a rural area that is willing to collaborate with other local health care providers to provide a need health service in the area, like OB.
  - Fully fund Glenwood Resource Center at the Governor’s recommendation.

## Judiciary

### Life Amendment

Checks and balances are essential in state government. According to the Iowa Constitution, the legislature makes the laws, the executive branch carries out the laws, and the courts interpret and applies the laws. The process is set and has served our state well. With appropriate checks and balances laws are made, enforced, and interpreted in a fair manner. When one branch of Government extends their reach too far, it is the responsibility of the other branches to act to reel in the overreach.

At times, the Iowa Supreme Court has determined a law passed by the legislature is unconstitutional and cannot be enforced. This was the case in *Planned Parenthood of the Heartland v. Reynolds*, where the court struck down a 72-hour waiting period before a woman could have an abortion. In addition to striking down the law, the Court went much further and created a constitutional right to abortion. This right has never existed in the Iowa Constitution. This is a direct violation of the courts power.

House Joint Resolution 5 is a response to this overreach by the court and returns the power of amending the Iowa Constitution to the legislature and Iowans.

HJR 5, reads as follows:

Sec. 26. LIFE- To defend the dignity of all human life and protect unborn children from efforts to expand abortion even to the point of birth, we the people of the State of Iowa declare that this Constitution does not recognize, grant, or secure a right to abortion or require the public funding of abortion.

This language makes it clear that there is a legal right to abortion there is no constitutional right to an abortion or for state funding for an abortion. The amendment does not ban abortion and does not change any current abortion laws. It is a direct response to the Supreme Court when they declared that abortion is a fundamental right and should be treated like other rights enumerated in Iowa’s constitution.

Iowa’s constitution can only be changed with the consent of the people, this is not a power for Iowa’s courts. HJR 5 has passed the House and is expected to pass the Senate before the end of session. It must then be brought up again in either the 2023 or 2024 session and pass both chambers. After that, the amendment is put on the ballot and the people of Iowa can choose if this language should be added to the constitution.

Creating constitutional rights and usurping the role of the legislature and the rights of the people creates a court without checks or balance. HJR 5 corrects this and brings back balance.

## Labor

### Iowa to end participation in federal unemployment benefit programs, citing strong labor market and recovering economy

Governor Kim Reynolds announced new measures to address the State of Iowa's severe workforce shortage. Effective June 12, 2021, the State of Iowa will end its participation in federal pandemic-related unemployment benefit programs. The Governor also announced that effective June 13, 2021, Iowa will no longer waive employer charges for COVID-related unemployment insurance claims.

Iowa will continue to pay regular unemployment claims. The following information is provided for impacted claimants:

- Claimants who have exhausted their traditional 26 weeks of unemployment benefits and are now receiving benefits through the federal Pandemic Emergency Unemployment Compensation (PEUC) program will no longer be eligible for UI payments after June 12, 2021, the last payable week for PEUC.
- Iowa will no longer issue supplemental \$300 weekly payments to claimants under the Federal Pandemic Unemployment Compensation (FPUC) program. This payment was made to all Iowans who were receiving unemployment benefits regardless of the program under which they are being paid. The last payable week for FPUC will be the week ending June 12, 2021.
- Iowa will no longer participate in the federal Pandemic Unemployment Assistance (PUA) program. PUA presently provides benefits to the self-employed, the underemployed, independent contractors, and individuals who have been unable to work due to health or COVID-19-related reasons. The last payable week for PUA will be the week ending June 12, 2021.
- Iowa will no longer be in the Mixed Earner Unemployment Compensation (MEUC) program, which offers supplemental payments to individuals who had both traditional W-2 income as well as self-employment income.

"The overwhelming message we receive from employers these days is the lack of workforce that is adversely affecting their ability to recover from the pandemic," said Director Beth Townsend, Iowa Workforce Development. "There are currently over 66,000 job openings posted on IowaWorks.gov. Our field offices are open and ready to help. We are very excited to return to providing the support and help we love to provide – helping Iowans find their next great job or new career pathway and helping employers find their next great employee."

Iowans can search for new jobs, including teleworking opportunities at IowaWorks.gov.

Impacted unemployment insurance claimants will receive official notification from IWD with more information about how these changes affect them individually. We will also continue to update our webpage with relevant information and assistance.

*(Info from Iowa Workforce Development)*

## Natural Resources

### Black Bear Population Expanding into Iowa

There's a pretty good chance that, in the next several weeks, Northeast Iowa will be visited by a few wandering black bears coming down from Minnesota and Wisconsin ahead of the breeding season. It's been an annual occurrence in this region each spring since 2014.

While much of Iowa does not have the habitat necessary to support a black bear population, certain locations do, primarily northeast, eastern and southern parts of the state. As black bear populations in Wisconsin, Minnesota and Missouri are stable to increasing, it is possible that a small population could set up residence in Iowa.

“Within the next three to five years, I think we can expect to see cubs show up and a small breeding population become established. If that occurs, we should look to our neighbors in Wisconsin and Minnesota who have learned to live with bears,” said Vince Evertsizer, furbearer and wetland wildlife research biologist with the Iowa Department of Natural Resources (DNR). “It won’t be perfect and there will be bumps along the way, but we need to start having conversation about the idea of bears coming back to Iowa, at least in certain places along the Mississippi River and Northeast Iowa where suitable habitat exists.”

Wisconsin’s black bear population is estimated at close to 30,000, Minnesota’s 15,000 and Missouri, which is holding its first bear hunt later this fall, as many as 1,000.

“For example, in Wisconsin, with that many black bears, residents have learned to make a few adjustments to minimize bear conflicts, like putting away their bird seed in the spring, putting away their barbecue drip pans, and by keeping pet food and garbage in places bears can’t access. There are still occasional problems, but these basic precautions result in much fewer negative encounters between bears and humans,” Evertsizer said.

Bears are omnivores and their diet changes with the seasons. In the spring, bears emerge from their winter dens hungry. They’ll feed heavily on newly emerging tender grasses and sedges. In summer, its berries, ants, various plants, and grubs. In the fall, its acorns and other tree nuts. They are also known to feed on nontraditional sources, like row crops, orchard fruits, and honey – which is similar to striped skunks and raccoons.

“They’re like a big raccoon, motivated by hunger and willing to take advantage of whatever food is available, from fawns to eggs, bee hives, bird feeders – this is where making some changes can minimize nuisance bear interactions,” he said.

Black bears are native to Iowa. However, Iowa has been without a resident bear population for more than 100 years. In the Iowa code, black bears are not listed as a species of wildlife found in Iowa because they were not present in the state when these laws were created, nor have they been since. This means the Iowa DNR does not have the legal authority to manage black bear populations through actions such as designating protection status or adding a limited hunting season if the population eventually support it in the future. Iowa is the only state among its Midwest neighbors where the state’s wildlife agency does not have regulatory authority to manage bear populations, which typically includes handling nuisance conflicts and conducting research.

While the Iowa DNR does not regulate bears, it does have a bear response protocol.

“The objective with the response protocol is to provide guidance for our staff in dealing with any potential human-bear conflicts that arise. A proactive strategy will increase the odds for a better outcome for both the bears and for humans. For example, trap and transport of bears is a common scenario shown on TV shows, however in reality most states have moved away from this method because it often results in simply moving the problem to someone else’s backyard. It’s all about reducing conflicts where bears are instead,” Evertsizer said. “We want to keep Iowans informed about this interesting and emerging wildlife story and increase our collective knowledge about bears in order to live with them successfully and minimize conflicts.”

Since 2002, there have been 43 confirmed black bears in Iowa, and two to five per year since 2014. As bears have become more of a regular visitor, the chance to encounter a bear, although small, is a possibility.

“Black bears have some general tendencies and habits, but individual bears may go against the norm. Some are shy, others are not. They are typically secretive and want to be left alone – while others are bold and may be more daylight active,” he said.

Bears are typically nocturnal but get more active during the June to July breeding season, especially at dawn and dusk. Most of Iowa's bear sightings start in late May continuing into July.

"If you encounter a bear, avoid running away," Everts said. "Instead, back away slowly and cautiously while facing it. Make noise so they know you're there."

There are a number of resources available to help people minimize conflict with bears, Everts said, including [www.bearwise.org](http://www.bearwise.org)

Source:DNR

## Transportation

### House Transportation Committee Passes Important Legislation This Session

The House Transportation Committee had 16 bills pass both chambers this session. Below are some of the important bills:

**HF 280 – Electronic CDL Renewal** - This bill was brought forward by the Iowa Department of Transportation to allow for the electronic renewal of commercial driver's licenses (CDLs). The DOT allowed for the electronic renewal of CDLs during the public health emergency unless the person holds a hazardous materials endorsement. This bill allows for this efficiency for drivers and DOT staff to be made permanent.

**HF 382 – Special Permits During National Emergency** - This bill was brought forward by the Iowa DOT to allow the DOT to issue special permits to commercial motor carriers that cover all vehicles operated by that entity to deliver relief supplies that exceed weight limits during a federally declared major disaster. Currently, DOT is only allowed to issue vehicle-specific permits, rather than for the entire fleet (e.g. all Hy-Vee trucks).

**HF 389 – Chauffeurs License** - This bill eliminates the need for a Class D-2 (operators of truck tractors, road tractors, or motor trucks with a weight over 16,000 lbs) chauffeur's license. Individuals operating those vehicles must already have a CDL. This bill also exempts all fire fighters and ambulance operators from needing a chauffeur's license. Law previously only exempted those that volunteered.

**HF 493 – Electric Bicycles** - This bill establishes regulations for electric bicycles by creating three classes of e-bikes that differentiate between speed, wattage, and operation. This bill ensures that e-bikes are not subject to the same regulations as motorcycles and vehicles.

**HF 524 – Leaving the Scene of an Accident** - This bill provides that an individual that leaves the scene of an accident that caused injury or death, and later realizes they were involved in the accident, that they must contact emergency services immediately and provide information on the accident. This bill also clarifies that those individuals can be charged with a Class D or C felony depending on if the accident caused serious injury or death.

**HF 655 – Agricultural Animal Transportation** - This bill creates a criminal offense of interference with the transportation of an agricultural animal if the person interferes with the motor vehicle transporting the animal or interferes with the agricultural animal itself.

**HF 828 – CDL Skills Testing** - This bill allows a county that is providing the driving skills test for a commercial driver's license (CDL) to charge \$25 for each of the three component tests. Counties are allowed to retain these fees if they are administering the test. Currently, counties only retain \$7 for the issuance of a CDL and do not receive anything extra if they are also administering the driving skills test. This bill also allows the DOT to charge \$25 for the initial pre-trip inspection examination if testing at a DOT site.

**SF 230 – Salvage Title** - This bill increases the threshold for a vehicle to be considered salvaged from 50% to 70% of the fair market value of the vehicle.

## Ways & Means

# **Governor Grants Deadline Extensions for Homebuyer Savings Accounts and 529 Plans**

At the end of last month, Governor Reynolds signed a proclamation that provides an extension to both the First-Time Homebuyer Savings Accounts and Iowa Educational Savings Plans (529). For the First-Time Homebuyer Savings Accounts, the extension allowed more time to make required account and beneficiary designations. For the Iowa Educational Savings (529) Plans, the extension allowed more time to make contributions to their accounts that may be considered made in tax year 2020. The proclamation extends both deadlines to May 30, 2021. The due date for filing 2020 Iowa individual income tax returns remains June 1, 2021 under Order 2021-01 issued by Director Paulsen on March 29, 2021.

### **First-Time Homebuyer Savings Accounts**

Eligible taxpayers who opened an interest-bearing savings account in calendar year 2020, and who wish to participate in the first-time homebuyer savings account program normally must complete and file an Account Holder and Designated Beneficiary Form 41-162, no later than April 30 in the next calendar year in order for the account to qualify as a first-time homebuyer savings account. However, on April 30, 2021, Governor Reynolds issued a public health disaster emergency proclamation extending the deadline for filing these forms for taxpayers who opened an account in 2020 to May 30, 2021.

### **Iowa Educational Savings (529) Plan Contributions**

Under normal circumstances taxpayers could elect to deduct qualifying contributions made to an Iowa Educational Savings (529) Plan between January 1, 2021, and April 30, 2021 (up to the contribution limit), on their 2020 Iowa income tax returns, rather than their 2021 returns. On April 30, 2021, Governor Reynolds issued a public health disaster emergency proclamation which, in part, extended the deadline to make such contributions and still deduct them on a 2020 return from April 30, 2021, to May 30, 2021.

House Republicans created the First-Time Homebuyer savings accounts a couple of years ago in an effort to help and encourage Iowa taxpayers to save and buy their first home. Additionally, House Republicans have authored several improvements to Iowa's 529 plan program—knowing it is how parents and grandparents can save up for the education of Iowa's future workforce.