

# IOWA HOUSE REPUBLICANS

June 16, 2022

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## Appropriations

### Gambling Revenues Remain Strong

Iowans who track the state's budget focus a lot of their attention in the monthly General Fund memo. Those reports have continued to show strong state tax collections, even with the growing headwinds from the Biden economy. Another monthly report of tax revenue is also showing solid returns, thanks to Iowans' interest in gambling.

The Iowa Racing and Gaming Commission released the May report this week, and the revenue from gaming taxes on casino wagering continues to grow. Through May, the state has collected \$321.5 million in gaming tax during Fiscal Year 2022. Even though its only 11 months of data, Fiscal Year 2022's gaming tax revenue has already exceeded the record amount collected by the state in FY 2021. The Revenue Estimating Conference raised their casino gaming forecast for FY 2022 by \$52.3 million, to \$340.8 million. If June 2022 generates an amount near what came in last June, the total for the year will exceed that number as well.



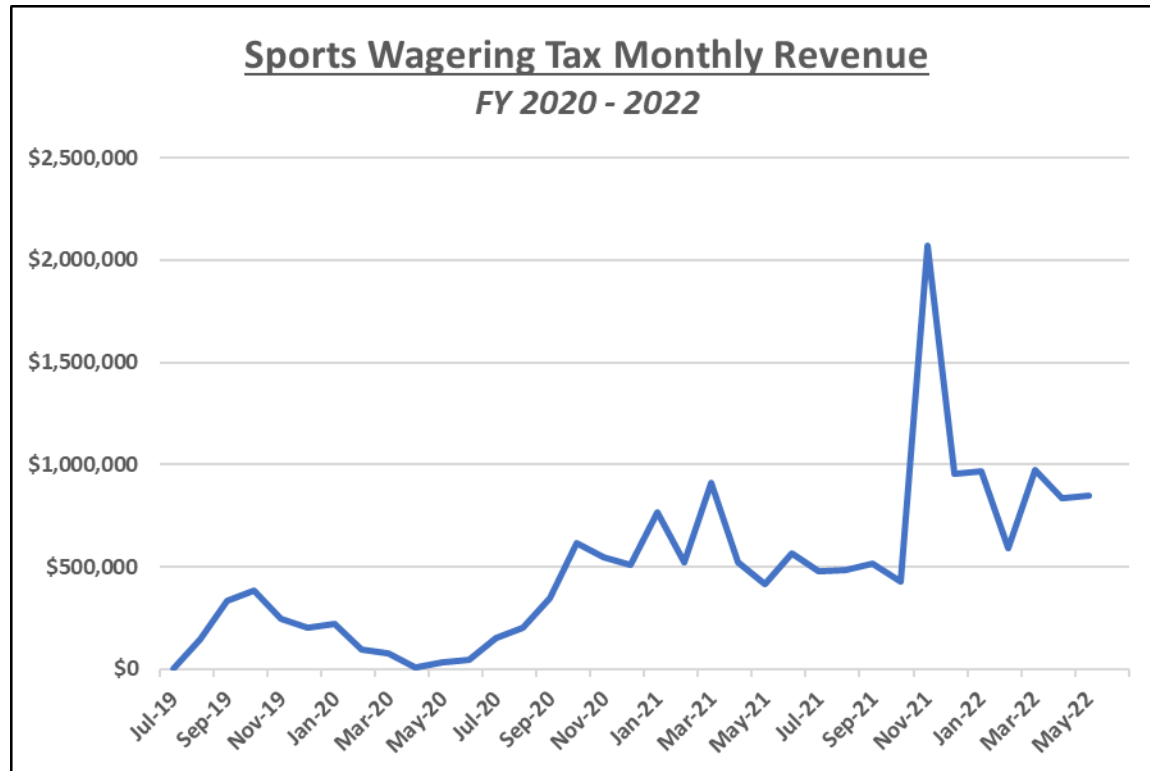
# - Through May, 2022

Tax revenue from sports wagering also continues to grow. Just in its third year, collections from the tax on sports betting are \$9.138 million through May. That total, through 11 months, is 150 percent of the yearlong total collected

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in FY 2021. The chart below shows the monthly sports wagering tax collections since sports betting was legalized in Iowa during the summer of 2019.



Will this growth continue into Fiscal Year 2023 and beyond? That is a significant question, as the casino gaming tax is the sole source of revenue for the Rebuild Iowa’s Infrastructure Fund. For Fiscal Year 2023, the Revenue Estimating Conference is currently projecting \$317.9 million in gaming tax revenue. That strong forecast allowed the Legislature to pass one of the largest RIIF budget bills in state history, including the early completion of the state’s contribution to major construction projects at Iowa State University and the University of Northern Iowa.

Challenges will start to appear beyond FY 2023, as Nebraska is moving forward with their plans to begin offering casino gaming on the other side of the Missouri River. And on the sports wagering front, the Minnesota legislature failed to pass legislation allowing sports betting in that state. But the push to keep those dollars in the Land of 10,000 Lakes will continue next year.

(Contact: Brad Trow 1-3471)

## Agriculture

### **IDALS Launches Program to Strengthen Local Food Systems, Expand Economic Opportunities for Farmers**

On Thursday, June 9, 2022, the Iowa Department of Agriculture and Land Stewardship (IDALS) issued a press release in which Iowa Secretary of Agriculture Mike Naig announced that IDALS is launching a statewide program to purchase and distribute Iowa grown and produced food to underserved communities. The program is funded through the U.S. Department of Agriculture (USDA) Local Food Purchase Assistance program and is expected to bring \$1.8 million to farmers for food grown, raised and processed in Iowa. IDALS Secretary Naig opined--“As consumer demand for locally grown and produced foods increases, our farmers are rising to meet the challenge. This program

builds a framework for long term partnerships that will grow economic opportunities for farmers, increase access to local food and improve supply chain resiliency.”

The program is focused on building partnerships between Iowa producers and organizations that support underserved communities. It is expected that at least 300 farmers will benefit from the program. The program has a tiered equitable purchasing standard and will create 2,000 distribution sites with food banks, food hub distribution partners and the Meskwaki Nation. Iowa food hubs will purchase, aggregate, distribute and market products from local farmers across the state. Iowa Valley RC&D will lead project management and ensure successful program implementation. Other project partners include leaders and experts in Iowa food production, farmer outreach, distribution, aggregation, food safety and emergency assistance. Program committees include procurement and purchasing, community food distribution, and evaluation and financial controls. Stakeholders interested in serving on a committee or participating as a producer or distribution partner can find additional information at <https://iowaagriculture.gov/ILFPA>.

## **USDA Launches ‘Protect Our Pigs’ Campaign to Support the Pork Industry Against African Swine Fever**

On Wednesday, June 15, 2022, the United States Department of Agriculture’s Animal and Plant Health Inspection Service (USDA-APHIS) issued a [press release](#) which announced that new efforts to help prevent the introduction and spread of African swine fever in the U.S. through an outreach and awareness campaign called [“Protect Our Pigs.”](#) USDA-APHIS will support commercial pork producers, veterinarians, and pig owners with information and resources to help safeguard America’s swine population and the pork industry. African swine fever is a deadly, highly contagious viral disease that affects both domestic and wild pigs. It does not impact human health but quickly spreads between swine populations. People can also unknowingly spread the disease on their clothing, farming equipment, or by transporting uncooked pork products. African swine fever has never been detected in the U.S. but has recently been confirmed in countries as close as the Dominican Republic and Haiti. There is no treatment or effective vaccine for the disease.

The U.S. is one of the world's largest pork producers and the second largest exporter of pork globally. If the disease arrives here, it is estimated it could cost the U.S. \$50 billion dollars over 10 years. Commercial pork producers, veterinarians, and pig owners are among the nation’s first line of defense against African swine fever. There are more than 60,000 pork producers nationwide who employ more than half a million workers. An estimated 250,000 to 1 million potbellied pigs are kept as pets, and there are more than 1,500 swine veterinarians.

*(Contact: Lew Olson 1-3096)*

## **Commerce**

### **BlockFi Ordered to Pay More Than \$943,000 in Iowa for Failing to Register Securities**

Iowa Insurance Commissioner Doug Ommen recently issued a [consent order](#) against BlockFi Lending LLC (BlockFi) after BlockFi offered and sold securities in Iowa that were not registered or permitted for sale in Iowa as well as offering and selling securities in Iowa without being registered as a broker-dealer or agent. BlockFi was ordered to pay an administrative fine in the amount of \$943,396.22 and cease and desist from making any untrue statement of material facts regarding securities.

The consent order is part of the conclusion of a broader multi-state investigation, where the U.S. Securities and Exchange Commission (SEC) and state securities regulators from 53 jurisdictions came together as members of the North American Securities Administrators Association (NASAA) to investigate. BlockFi will pay settlements up to \$50 million in total to the 53 jurisdictions following the investigation as well as another \$50 million to the SEC. The

consent order found that in addition to offering and selling unregistered securities, BlockFi made misrepresentations and omissions about the level of risk in its loan portfolio which did not allow investors to have complete and accurate information to evaluate the risk of the investment. Specifically, BlockFi stated in multiple website posts that its institutional loans were "typically" over-collateralized when in fact most loans were not over-collateralized. Twenty-four percent of the institutional digital asset loans BlockFi made in 2019, 16% of the loans made in 2020, and 17% of the loans made in the first half of 2021 were over-collateralized. BlockFi's statements that their loans were "typically" over-collateralized suggested to investors that they had secured more protection from default than BlockFi had actually secured.

As of December 31, 2019, BlockFi and its affiliates held approximately \$267,626 in assets from Iowa residents. That number increased to approximately \$14,665,519 at the end of 2021.

Iowans with questions or concerns about investments can contact the Iowa Insurance Division at 877-955-1212 or at [iid.iowa.gov](http://iid.iowa.gov).

*(Contact: Ben Gentz, 1-3452)*

## Economic Growth

### Iowa Finance Authority Makes Awards to Habitat for Humanity

The Iowa Finance Authority Board of Directors recently awarded a total of \$100,000 in State Housing Trust Fund grants to Habitat for Humanity affiliates to support the construction of homes in Boone and Indianola. The funding is made available through the State Housing Trust Fund's Project-Based Housing program.

Heart of Iowa Habitat for Humanity, Boone – \$50,000

The Heart of Iowa Habitat for Humanity will use a \$50,000 State Housing Trust Fund grant to assist in the construction of a single-family home on an infill lot in Boone. The ranch-style home will include approximately 1,000 square feet of finished living space with two bedrooms.

Warren County Habitat for Humanity, Indianola – \$50,000

Warren County Habitat for Humanity will use a \$50,000 State Housing Trust Fund grant to assist in the construction of a single-family home on an infill lot in Indianola. The ranch-style home will include approximately 960 square feet of finished living space with two bedrooms on the main level and an additional two bedrooms in a finished basement.

Both Habitat for Humanity affiliate homes will be sold to income-qualified homebuyers who will receive financial, home repair, homeownership and foreclosure prevention education, and must also complete the required sweat equity hours prior to closing on the homes.

The State Housing Trust Fund has awarded more than \$100.8 million in funding and has assisted more than 34,300 affordable housing units since the program's inception in 2003. These awards have leveraged an additional \$170.7 million or \$1.69 in other resources for every dollar of State Housing Trust Fund funding.

These awards are complimented by a House Republican authored provision in this year's Economic Development Budget. Recognizing the absolute necessity of affordable housing in Iowa, Chairman Thompson of Boone included a housing pilot project in the bill.

House File 2564 creates a housing renewal program fund under IFA. For fiscal year 2023, \$500,000 is deposited into the fund. IFA shall provide moneys from the fund to a nonprofit Iowa affiliate that will use the money to award grants under the housing renewal pilot program to eligible participants in Mason city, Waterloo, Des Moines, the region 12 council of governments, and the southeast Iowa regional planning commission. Those participants can use the money only for purposes of the acquisition, rehabilitation, and resale of ownership units, blighted structures, and re-

development of ownership units. Twenty-five percent of the fund must be allocated to rural communities in the 88 least populated counties. The maximum award per unit is \$100,000. The units must be sold to homebuyers with income under the 125 percent median income.

House Republicans are proud to support these housing initiatives and will continue to look for ways to increase affordable housing in Iowa.

*(Contact: Kristi Kious, 2-5290)*

## Education

### Under the Radar Education Changes Made by House Republicans

Traditional, mainstream and corporate media covered a few high-profile education issues during the 2021 and 2022 sessions. In 2021, House File 802 which prohibited racial and sexual stereotyping and scapegoating in K-12 and higher education and the prohibition on school mask mandates received a good amount of attention. In 2022, the high-profile debate over various school choice changes dominated the coverage.

However, those were not the only changes made in the just completed 89<sup>th</sup> General Assembly.

House File 868 in 2021 required local school boards to provide annual training on the First Amendment to any “equity coordinators” employed by their school districts. The requirement was enacted to curb the indoctrination of students with left-wing values that often conflict with the First Amendment, the Declaration of Independence, the 14<sup>th</sup> Amendment and the Civil Rights Act of 1964. Not to mention that the indoctrination often emanates from the so-called equity coordinators or Diversity, Equity and Inclusion Offices.

Also in 2021, House File 847 required that in addition to displaying the flag of the United States at each public school, the Pledge of Allegiance shall be recited every day in grades 1-12. In accordance with the First Amendment, the law also states that no student shall be compelled against the student's objections or those of the student's parent or guardian to recite the pledge.

In 2022, a significant change to open enrollment procedures was approved that provides parents and students with control over their open enrollment decisions instead of being subservient to their public school officials and administrators.

The March 1 deadline for open enrollment requests was eliminated. Starting immediately, parents and students can open enroll out of public school districts which no longer meet their needs – whatever those needs might entail. As long as the receiving school district has space and staff for the new student, that family can open enroll into a new school district at any point. Students and families are no longer trapped in districts that enact policies, use curriculum or otherwise ignore parental and student feedback. The burden of proof no longer falls on the parents and students to show why they’d like to leave a district, the burden of proof is on the school district to prove to families they deserve to educate that child.

*(Contact: Jeff Mitchell, 1-5137)*

### Final EPA Rule Increases RFS Blending Levels

On Friday, June 3, 2022, the Iowa Renewable Fuels Association (IRFA) issued a press release that noted that on that day, the Environmental Protection Agency (EPA) released the long-awaited final rule to set Renewable Fuel Standard (RFS) blending levels for 2021 and 2022. The solid 2022 blending level is in line with Congressional intent and the 2021 number was increased from the earlier proposal. However, in an unprecedented move, the EPA also reopened and reduced the 2020 RFS rule that was finalized in December of 2019.

#### *Refinery Exemptions are Denied*

While long expected, formal action was also taken to deny 72 unjustified RFS refinery exemptions, many dating back to the Trump Administration.

#### *2016 Remand Gallons*

In a separate rule also released today, EPA addresses the D.C. Circuit Court 500 million gallon “remand.” The Court found the Obama EPA illegally reduced the 2016 conventional blend level by 500 million gallons and “remanded” the case back to EPA to restore those gallons. EPA plans to add half of those remanded gallons to the 2022 RFS level and says it will do the other half in 2023.

#### *Biomass-based Diesel and Advanced Biofuels*

The final rule also increases the biomass-based diesel category and advanced biofuel category to a total of 5.05 billion gallons in 2021 and 5.63 billion gallons for 2022. “

#### *2020, 2021 Ethanol Blend Levels Reduced*

While the 2022 conventional biofuels blend level corresponds with the statutory 15 billion gallons, the rule sets the 2021 conventional level – traditionally filled by cornstarch-based ethanol – at 13.79 billion gallons, 1.2 billion gallons below the level set by Congress. The rule also reopens the finalized 2020 RFS rule to lower the conventional blend level by 2.5 billion gallons, setting it at 12.5 billion gallons.

#### *Final Volume Requirements for 2020-2022 (billion gallons)* June 3, 2022 EPA Press Release

Category	2020	2021	2022
Cellulosic Biofuel	0.51	0.56	0.63
Biomass-Based Diesel	2.43	2.43	2.76
Advanced Biofuel	4.63	5.05	5.63
Total Renewable Fuel	17.13	18.84	20.63
Supplemental Standard	n/a	n/a	0.25

\*All values are ethanol-equivalent on an energy consult basis, except for BBD which is biodiesel-equivalent

### Legislature Prioritizes Addressing Mental Health

Over the last five sessions, House Republicans have made mental health a priority by passing significant legislation. These bills include efforts to expand access to mental health services for all ages, create a sustainable, long-term funding system, provide training to help schools address student mental health needs, and increase the mental health workforce throughout the state.

This is an issue that is personal to many Iowans. Few people are immune from the loss of a family member or friend who suffered from a lifelong battle with depression. Too often there is another tragic story in the news of a family feeling hopeless as they seek treatment far from home for their loved one's chronic mental illness. Legislators are also regularly contacted about the costs for law enforcement to drive across the state and find inpatient psychiatric beds; the costs to the hospitals that are not reimbursed for a patient no longer in need of acute level psychiatric placement; and the costs to our jails and prisons for unintentionally becoming the default locations to treat individuals with mental illness.

All the bills below passed during the 89<sup>th</sup> general assembly and were successful because both parties came together and worked closely with families and individuals who have experienced mental health crises, mental health professionals, and law enforcement to find solutions. We will continue to monitor the progress throughout the state to ensure mental health care for Iowans into the future.

**MHDS Region Funding (SF619)** – Phased out the mental health and disability services (MHDS) property tax levy and requires general fund dollars to be distributed to the MHDS Regions on a per capita basis and based on performance-based contracts with DHS. The state appropriation is gradually increased based on a per capita rate until FY2026, and then a growth factor will be utilized potentially amounting to an annual 1.5% increase.

**Psychiatric Intensive Care (HF2578 and HF2546):** Provides \$1.5 million for psychiatric tiered rates so that hospitals are reimbursed based on the acuity of the patient and can receive the intensive psychiatric care that they need. This amounts to a \$4 million increase when combined with federal funds.

#### **Telehealth access:**

- Mental health telehealth payment parity (SF619) – requires health insurers reimburse for mental health services provided through telehealth at the same rate as services provided in person.
- Out-of-state providers (HF2578) – Ensures that health insurers are not excluding mental health providers providing telehealth to Iowans simply because they are not physically located in Iowa.

#### **Mental Health Workforce:**

- HF 2578 establishes a new psychiatric residency program in Iowa by requiring the university of Iowa hospitals and clinics to apply for 12 residencies per year to be focused on training at state facilities, including the mental health institutes, Eldora State Training School, and Woodward Resource Center. If UIHC is awarded all 12 slots by ACGME, this will amount to a \$1.2 million appropriation in the first year, and \$4.8 million state appropriation in the 4<sup>th</sup> year and every year going forward.
- HF 2578 and HF 891 fully fund a rural psychiatry residency program with UIHC. This was the 4<sup>th</sup> year of expanded funding, meaning the residency program is up to 2 new residents per year.
- HF 2549 and HF 2575 fund \$520,000 per year to go towards a mental health professional loan repayment program for mental health professionals that agree to practice in a mental health shortage area in Iowa for at least 5 years.

#### **Children's Mental Health (HF891) –**

- Provided an increase of \$1.03 million to be used to reduce the waiting list for the children's mental health home and community-based services waiver.
- Psychiatric Medical Institutions for Children (PMICs) – provided an increase of \$3.9 million to PMICs, which amounts to \$10.3 million when combined with federal funds.



- Qualified Residential Treatment Programs (QRTPs) received a \$3.85 million increase. These facilities provide treatment, including mental health treatment, to children in the child welfare system.

#### **Other Medicaid Rate Increases:**

- Habilitation providers (HF891) – provided an increase of \$7.13 million to home-based habilitation providers. These providers help individuals with mental illness live in their community and not in the hospital or jail, and the total increase amounts to \$20. Million when combined with federal funds.
- Behavioral Health Intervention Services (HF2578) – provided a \$1.28 million of state funding, and a total funding increase of \$3.4 million in FY2023
- Autism providers (HF2578) – provided a 7.5% increase to autism providers

#### **Other Mental Health Policy Changes:**

- HF736 came from the Iowa Behavioral Health Association to correct a problem that substance abuse providers were experiencing with formerly incarcerated patients. The bill prohibits health care providers from having to have funds recouped after they have provided services to someone that they have verified Medicaid eligibility for and obtained prior authorization for prior to giving services. If it is later determined that the person receiving services was not eligible for Medicaid, the provider would not have to return the funds if they have documented everything correctly.
- HF2167 revises the definition of autism spectrum disorder in the insurance code sections to align with current mental health diagnostic criteria. This bill will ensure that parents seeking autism treatment for their children are not limited by arbitrary insurance limitations.
- HF 2246 establishes a provisional license for a doctoral psychology student in their internship. The current provisional license only applies after internship, and insurance companies have not been reimbursing these providers due to this license issue.
- HF891 allowed Polk County to transfer money within the county to their MHDS Region in FY2022.
- HF2578 corrects inconsistencies in code to ensure that all MHDS Regions have a governing board that comply with state law.
- HF2578 requires DHS to apply for a state plan amendment to cover multisystemic and functional family therapies to provide evidence-based treatments for youth that address a youth's home and environment to reduce problematic behavior and divert the youth from out-of-home placements.
- SF513 allows a law enforcement report to remain confidential when a report is made regarding a mental health crisis and no crime has been committed.
- HF 891 requires the board of social work and the board of behavioral science to amend their administrative rules to remove any requirement for supervised clinical experience and supervised professional practice to be completed in-person as a condition of licensure. This bill also allows for licensed independent social workers, marriage and family therapists, and mental health counselors to supervise within these three professions.

*(Contact: Natalie Ginty 5-2063)*

## **Information Technology**

### **Public Input Requested for Iowa EV Infrastructure Plan**

Continuing efforts to evaluate the State of Iowa's electric vehicle infrastructure, which began in 2018 and resulted in a statewide [EV report](#), the Iowa DOT is requesting public input to help shape the Iowa Electric Vehicle Infrastructure Plan, currently in development. An online survey, featuring questions about transportation and electric vehicles, is now open and can be accessed at [www.iowadot.gov/IowaEVPlan](http://www.iowadot.gov/IowaEVPlan).

The state of Iowa has been a leader in embracing new opportunities in clean energy technology to benefit its residents, economy and the environment. Renewable energy production continues to grow while more citizens, businesses and visitors desire to power their vehicles sustainably. As technology continues to evolve, more challenges and opportunities will present themselves, and the state will continue to respond to the ever-changing environment as a leader in renewable energy production.



As such, the State of Iowa will use its portion of the Infrastructure Investment and Jobs Act funds to support the continued development of electric vehicle charging infrastructure. Iowa is joining many other states in developing plans to create a national EV charging network along major transportation corridors.

Iowa expects to receive around \$51.4 million in federal funds from this program over five years. To be eligible to receive funds, the state needs to submit a Statewide Electric Vehicle Infrastructure Plan by August 1, 2022.

Survey input provided by June 24, 2022, will be used by Iowa DOT and its partners to inform plan development. The survey will take approximately 10 minutes to complete. To learn more about the plan, electric vehicles and charging stations in Iowa, visit the project website at [www.iowadot.gov/IowaEVPlan](http://www.iowadot.gov/IowaEVPlan).

(Source: Iowa DOT)

(Contact: Ben Gentz, 1-3452)

## Natural Resources

### DNR Announces New Fish Structure Maps Added to Its Website

On Tuesday May 31, 2022, the Iowa Department of Natural Resources (DNR) issued a press release announcing that more than 2,000 updated fish structure locations and 215 lake contour maps have been added to the Iowa Department of Natural Resources (DNR) website at [www.iowadnr.gov/Fishing/Fishing-Maps](http://www.iowadnr.gov/Fishing/Fishing-Maps). Anglers can download the fish structure locations to their fish finders and GPS units to easily find brush piles, rock reefs and gravel spawning beds. DNR Fisheries staff and partners, such as county conservation staff and fishing clubs, strategically place fish structures in Iowa lakes to attract fish for anglers. Fish hide out in these structures throughout the year. Since 2013, DNR fisheries staff has collected data on Iowa lakes by using specialized equipment connected to computers aboard a boat. The software records lake depth along with information on what type of material is on the lake bed (sand, gravel, muck) and, if aquatic vegetation is present, the height and density of that vegetation. This data is used to generate more accurate maps for anglers. Each map includes depth contours, boat ramp locations, and other amenities. Find more information about a specific structure such as GPS coordinates on the interactive [Fishing Atlas](#) or a downloadable GPX fish structure file on the [Fishing Maps webpage](#). These tools are updated each year as new content is available.

### DNR ‘Learn to Hunt Program’ Opens Registration for Dove Hunting for Beginner’s Webinar

On Tuesday, June 14, 2022, the Iowa Department of Natural Resources (DNR) issued a press release that announced that DNR is offering a program to teach skills needed to hunt, field dress and cook mourning doves to individuals who have little to no dove hunting experience. The July 14, 2022 workshop will feature a two-hour virtual knowledge and skills building sessions with instructors that will teach the basics. Jamie Cook, Hunter Education coordinator with the Iowa DNR explained--“For those interested in the challenge of dove hunting as a means of sourcing their own protein, this program provides the opportunity to learn the skills and knowledge it takes to do it all yourself.” Participants will learn basic strategies for hunting mourning doves such as proper equipment, where to hunt, safe shooting practices, and how to field dress, butcher and cook them.

The course runs from 6 to 8 p.m. and is designed for participants 16 years of age and older. The course is free and will be held via Zoom. To register, go to [https://us02web.zoom.us/webinar/register/WN\\_sAoozZTASs2Zyl-ptwTOvg](https://us02web.zoom.us/webinar/register/WN_sAoozZTASs2Zyl-ptwTOvg). Space is limited so early registration is encouraged. The program is provided through a partnership with the Iowa DNR and Backcountry Hunters and Anglers. It is part of a national effort to recruit, retain and reactivate hunters due to the overall decline in hunting and outdoor recreation.

(Contact: Lew Olson 1-3096)

## Public Safety

### House Republicans Added School Security Plans, Money in 2018 and 2019

In 2018 the Legislature approved Senate File 2364 on school security plans. The bill required school districts and nonpublic schools to develop security plans for response to active shooter scenarios and natural disasters. The plans apply to each building in which students are located and needed to be in place no later than June 30, 2019. Development of the plan included recommendations from the Department of Education and included consultation with local emergency management and local law enforcement. A drill occurs at least once annually and it may include students.

In 2019, led by House Republicans, the Secure an Advanced Vision for Education (SAVE) fund for school districts was extended through January 1, 2015 in House File 564. The SAVE provides school districts with a stable and long-term funding stream.

At the insistence of House Republicans, the following language was specifically included:

“Additionally, school infrastructure includes school safety and security infrastructure. For purposes of this paragraph, school safety and security infrastructure includes but is not limited to safe rooms, remote entry technology and equipment, security camera systems, card access systems, and communication systems with access to fire and police emergency frequencies. For purposes of this paragraph, school safety and security infrastructure does not include the cost of personnel, development of safety and security plans, or training related to the implementation of safety and security plans. It is the intent of the general assembly that each school district prioritize the use of revenues under this chapter for secure entries for the district's attendance centers before expending such revenues for athletic facility infrastructure projects.”

*(Contact: Jeff Mitchell, 1-5137)*

## State Government

### Governor Reynolds Signs Bill to Expand Public Construction Options

On Tuesday, Governor Reynolds signed into law Senate File 183, which authorizes the use of alternative delivery methods for public construction projects. The bill which was reported out of the State Government Committee in January and was passed by the House in February, provides government entities and additional option for construction project methods beyond simply “lowest bid”. Prior to the enactment of this legislation, Iowa was only one of two states that did not authorize an alternative to the competitive bid process for publicly funded projects.

Public entities will now have an additional option for vertical construction projects that gives them the option of using low-bid method of competitive bidding for each aspect of their project or the use of the guaranteed maximum price contracts for the whole project. Guaranteed maximum price contracts are the agreed maximum price pursuant to a contract entered into by the government entity and the construction manager-at-risk. Frequently projects awarded to the lowest qualified bid end up costing more money than what the awarded bid creating ambiguity in the cost of a project and blurring the lines of “lowest cost”. The newly authorized alternative of a construction manager-at-risk is a single entity that assumes the risk for the project and provides consultation to the government entity in the development and design phase of the project.

This new law will provide governments additional tools and options for ensuring that the best value for a project is achieved while using taxpayer funds. Nothing in the new law will prevent a government from still electing to use the

competitive bid option, but simply giving governments more availability to best serve their constituencies with their money.

*(Contact: Jason Covey 1-3626)*

## Transportation

### Iowa Solutions to Supply Chain Crisis

Everyone is currently feeling the pinch paying for everyday goods and gas, if they can even find the item that they are looking for. While many of these problems are largely caused by the federal government, Iowa has done everything we can to open up the economy, agriculture, and manufacturing. Over the last two session, the legislature and governor have passed the below bills to help expand the supply chain in Iowa as much as possible.

- HF828 – allows a county that is providing the driving skills test for a CDL to charge \$25 for each of the three component tests. Counties are allowed to retain these fees. This is an effort to expand CDL testing in Iowa.
- SF2376 – Creates a permit to allow oversize and overweight hauling in Iowa
- SF2337 – Expands CDL third-party testing
- SF2383 – Waives CDL fees for veterans
- HF280 – Allows for the electronic renewal of CDLs
- SF382 – Allows 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
- SF655 – 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
- HF869 – allows for vehicles transporting fluid milk products to go up to 96,000 pounds of gross weight on the interstate if they purchase an annual permit from the DOT

*(Contact: Natalie Ginty 5-2063)*

## Veterans Affairs

### Iowa Financially Supports the New USS Iowa Submarine

This session, the legislature passed HF 2147, a bill to appropriate funds to support the christening and commissioning ceremonies of the new USS Iowa submarine.

According to the [USS Iowa website](#), this submarine is the 4<sup>th</sup> U.S. Navy vessel named “USS Iowa,” but the SSN 797 will be the first Virginia class submarine to bear the Iowa name. It’s also the first Navy submarine built specifically to accommodate both male and female service members onboard.

This bill appropriates \$75,000 from the FY 2022 General Fund and \$75,000 from the Veterans License Fee Fund to the Iowa Economic Development Authority for the support of the new USS Iowa. This bill allows for the funds to be carried over into FY 2023, as the submarine is estimated to be completed in the next two years.

*(Contact: Natalie Ginty 5-2063)*

### **No Sales Tax on Diapers or Feminine Hygiene Products**

Senate File 2367 was sent to the Governor in the closing hours of session. The bill makes a lot of changes to various parts of the Iowa tax code, but one change worth noting is the new sales tax exemptions for baby and adult diapers as well as feminine hygiene products. Both of these new exemptions will be available to Iowans starting January 1, 2023. This gives retailers time to rework systems and educate themselves on when to charge sales tax and when not to.

The new sales tax exemption on feminine hygiene products will save Iowans \$2.0 million annually and puts Iowa among the 20 other states with this exemption. The new sales tax exemption on baby and adult diapers will save Iowans \$9.5 million annually and will put Iowa with the other 15 states who have this exemption.

House Republicans were happy to support these tax cuts on necessities for hard-working Iowans at a time when inflation seems to have no end. The bill is ready for the Governor's signature.

*(Contact: Kristi Kiouss, 2-5290)*