

June 26, 2025

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## Appropriations

### Governor Takes Final Action on FY 2026 Budget

The Fiscal Year 2026 budget is now set as Governor Reynolds took final action on the thirteen bills that comprise the state's budget for next fiscal year.

The Governor signed twelve of the bills without any item vetoes. There was one item veto for the entire budget. In the FY 2026 Education appropriations bill, the Governor struck a \$1.5 million appropriation to the University of Northern Iowa to allow the school to offer in-state tuition rates to students from contiguous states.

While Governor Reynolds had proposed a \$3 million appropriation for this in her budget, she vetoed the smaller appropriation because there was an expectation of on-going funding. She also asserted that the "contours of the program" were unclear in the bill with regards to current UNI students who come from contiguous states.

After this lone item veto, the Fiscal Year 2026 budget will spend \$9.4228 billion from the General Fund beginning on July 1. The new budget is an increase of 447.4 million over Fiscal Year 2025, which amounts to 5.33 percent growth. The new budget includes several spending priorities that Iowans brought to the Legislature. They include:

- \$107.4 million increase in funding to local schools. This includes a 2.0% increase in supplemental state aid, funding to complete last year's teacher pay increases, which raise starting pay to \$50,000, and increases in operational sharing, school transportation and an additional \$5 per student for per pupil equity.
- \$252.7 million increase to Iowa's Medicaid program. The increase replaces enhanced Federal matching funds during the pandemic while also providing an additional \$20 million to Iowa's nursing homes and raising reimbursement rates for a range of medical services in maternal care and dental services.
- Increasing daily reimbursement rates to foster parents and subsidized adoptions by five percent; and
- \$7.5 million increase for Iowa's community colleges.

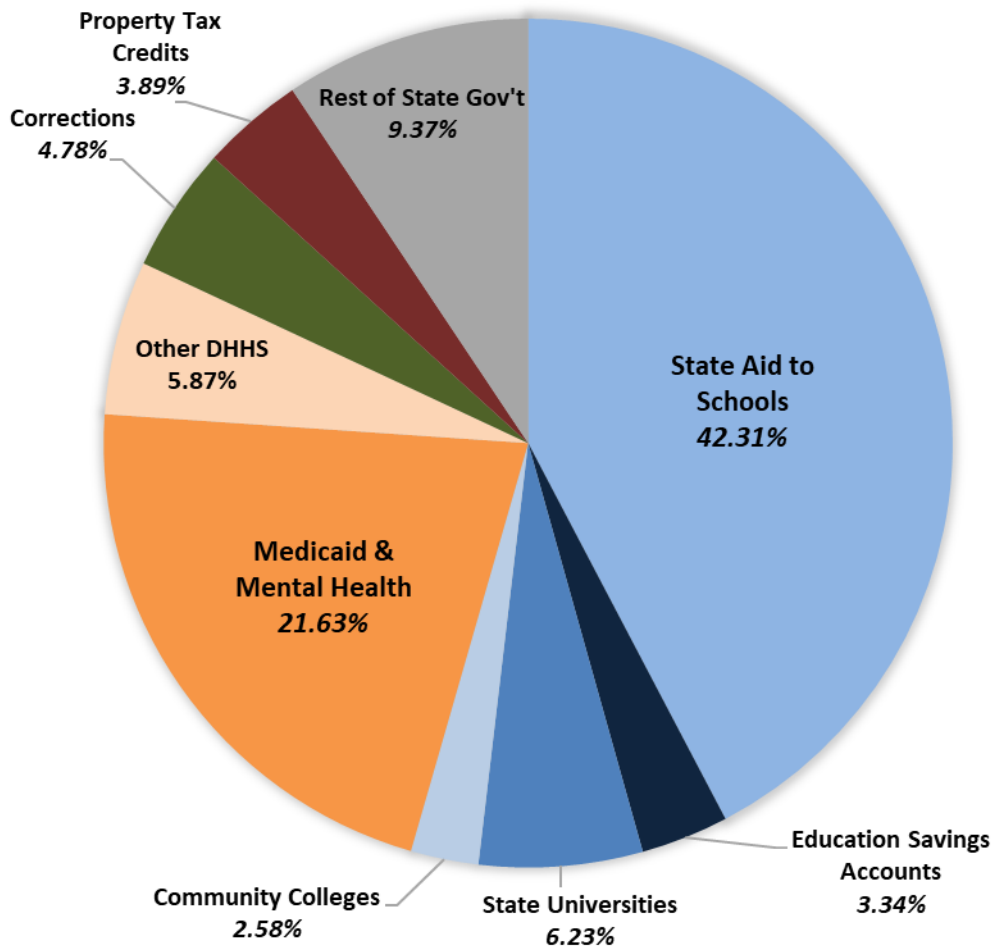
For Fiscal Year 2026, the General Fund budget will be divided up in the following manner:

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## **FY 2026 GENERAL FUND BUDGET**

**\$9,422,805,862**



(Contact: Brad Trow 1-3471)

## **Agriculture**

### **IDALS Secretary Naig Announces Grants for 90 Projects to Improve Consumer Access to E15 in Iowa**

On Thursday, June 12, 2025, the Iowa Department of Agriculture and Land Stewardship (IDALS) issued a press release in which IDALS Secretary of Agriculture Mike Naig announced that the [Iowa Renewable Fuels Infrastructure Program \(RFIP\)](#) Board recently approved an additional 90 applications from Iowa fuel retailers to support new and expanded ethanol infrastructure projects. These investments help drivers save money by providing expanded access to lower cost and cleaner burning homegrown biofuels like E15 (Unleaded 88). The cost-share grants were awarded by the RFIP Board during its quarterly meeting on June 4, 2025. The approved project sites are in 48 different counties and total \$1,234,431.79 in state cost-share. A complete [list of the projects, sorted by county, is available here](#).

The [Iowa Department of Revenue announced](#) on April 3, 2025, that Iowa E15 sales hit an all-time record in 2024, eclipsing the previous record from 2023 by 44 percent. With 256.7 million gallons of E15 sold in Iowa in 2024 at an average price discount of 15 cents per gallon compared to E10, Iowa drivers saved over \$38.5 million last year by choosing E15 at the pump. These investments are helping more Iowa fuel stations come into compliance with the [E15 Access Standard](#). Iowa is the first state to enact an E15 Access Standard, which requires most fuel retailers to offer E15 by Jan. 1, 2026. The law was passed by the Iowa Legislature and signed by Gov. Reynolds in 2022.

## **Hoover Building is the New Home of the Iowa Department of Agriculture and Land Stewardship**

On Tuesday, June 24, 2025, the Iowa Department of Agriculture and Land Stewardship (IDALS) issued a press release that announced that as of July 1, 2025, IDALS will call the Hoover State Office Building home. After more than four decades in the Henry A. Wallace State Office Building, the Department will depart the building at the end of June. IDALS was the last remaining tenant of the Wallace Building. IDALS will now welcome constituents and guests to the fifth floor of the Hoover Building. The Hoover Building is part of the Iowa Capitol Complex, located southeast of the Iowa Capitol and northeast of the Iowa Supreme Court Building near the intersection of E.14th St. and Court Ave.

IDALS' new address, main phone number, and fax number are as follows:

Iowa Department of Agriculture and Land Stewardship  
Hoover State Office Building  
1305 E. Walnut St.  
Des Moines, IA 50319  
Main Phone Number: (515) 281-5321  
Fax Number: (515) 281-4282  
Website E-mail Form: <https://iowaagriculture.gov/contact>

*(Contact: Lew Olson 1-3096)*

## **Commerce**

### **Governor Signs Pharmacy Benefit Manager Reform, Lawsuit Filed**

This session the House and Senate advanced reform of Iowa's pharmacy benefit managers (PBMs) with bipartisan support. More than 200 pharmacies have closed in Iowa in the last decade, including more than 30 last year. Rural Iowa has been hit the hardest, making it harder for these Iowans to get the medications they need.

For too long, the abusive anti-competitive practices of PBMs have increased prescription drug prices nationwide and increased PBM profits while reimbursing pharmacies far below their costs. This session the Iowa legislature passed Senate File 383 to prohibit many of these unfair practices. The bill does the following:

- Prohibits a PBM or insurer from discriminating against a pharmacy if the pharmacy is acting within its license and all laws
- Prohibits the removal of pharmacy choice or imposing any monetary advantages or penalties that result in removing pharmacy choice (including unnecessary specialty drug designations and requiring use of mail order pharmacies)
- Prohibits additional cost-sharing on the insured based on where they choose to have their prescription filled
- Requires all rebates to be returned to the employee plan sponsor
- Requires any amount paid by the insured for the prescription drug to be applied to their deductible

- Requires PBMs to reimburse retail pharmacies (not large national chains and those with only mail order) based on acquisition cost plus a dispensing fee of \$10.68.
- Prohibits spread pricing
- Requires pharmacies have an appeals process if not reimbursed at acquisition cost
- Requires regular reporting from the PBMs to the Insurance Division
- Requires a study of Pharmacy Services Administrative Organizations and wholesales by IID with a report due by January 1, 2026.

This bill provides transparency in a broken system, empowers patients to choose their healthcare provider, requires that the dollars in the system benefit patients and employers and ensures that pharmacies can keep their doors open by reimbursing what it costs to dispense prescriptions to Iowans. The Governor signed the bill on June 11.

On June 23, the Iowa Association of Business and Industry filed a lawsuit in federal district court seeking a temporary and permanent injunction of the law. The lawsuit claims that Iowa’s law violates ERISA preemption and the 1<sup>st</sup> amendment.

ERISA is a federal law that generally preempts state’s ability to regulate employed sponsored health plans. Interestingly, the lawsuit fails to mention the U.S. Supreme Court ruling in 2020 regarding PBM regulations and ERISA in *Rutledge v. PCMA*. In the ruling, the Court clearly upholds the Arkansas law’s regulations of PBMs and opened the door to additional state regulations of PBMs. Additional regulations were then upheld by the 8<sup>th</sup> Circuit Court of Appeals in the *PCMA v. Wehbi* case in 2021, which was also oddly not mentioned in the ABI lawsuit. Additionally, the 1<sup>st</sup> amendment claims in the lawsuit are not backed by court precedent and are an unusual addition to the lawsuit.

Federal district court will likely decide on the temporary injunction in the next week. Even if a temporary injunction is granted, the legislature is confident the law will win on the merits. Every provision in the bill has been implemented in another state and U.S. Supreme Court precedent was utilized in the drafting of the bill. PBMs stand to lose millions and have no problem spending some on court costs to delay implementation. The legislature hopes that legal delays do not cause pharmacy closures in the meantime.

(Contact: Natalie Ginty 5-2063)

## Economic Growth

### Legislative Success—House Republican Initiative to Support Rural Site Development

The Iowa Economic Development Authority (IEDA) recently announced five recipients of the Iowa Rural Certified Site Initiative (IRCSI), a competitive grant program supporting the development of project-ready industrial locations in Iowa’s smaller communities. House Republicans insisted on the creation of this program in 2024s “MEGA” program legislation (Senate File 574) to ensure that rural Iowa was part of the game in attracting large-scale projects.

A total of \$133,528 in matching funds was awarded to assist with due diligence activities required for site certification — a key step in attracting new business investment and quality jobs. The funding reimburses costs for required reports and studies such as environmental assessments, geotechnical investigations and cultural resources surveys.

The following applicants received funding:

- Clarinda Economic Development Corporation  
\$29,875 — Hugh and Maxine Loudon Business Park (~70 acres), Clarinda
- Jackson County Economic Alliance

- \$27,050 — Highway 61 Industrial Park (~59 acres), Maquoketa
- Iowa Interstate Railroad
- \$37,500 — Newton Rail Park (~478 acres), Newton
- City of Webster City
- \$37,500 — Webster City Southeast Industrial Park (~773 acres), Webster City
- Greater Fort Dodge Growth Alliance (on behalf of Webster County)
- \$1,603.75 — Iowa’s Crossroads of Global Innovation (~765 acres), west of Fort Dodge

IRCSI provides matching grants of up to \$37,500 to eligible applicants, including local governments, economic development organizations, and utility providers in counties with populations fewer than 50,000. Certified sites are better positioned to attract prospects by meeting nationally recognized due diligence standards and demonstrating that essential infrastructure and land availability requirements have already been met.

More information about Iowa’s Certified Sites program and the IRCSI can be found at [opportunityiowa.gov/business/buildings-sites/certified-sites-program](http://opportunityiowa.gov/business/buildings-sites/certified-sites-program).

(Contact: Kristi Kiious 2-5290)

## Education

### Summer Nutrition Programs Across Iowa Provide Free Healthy Food Options During Summer Break

The Iowa Department of Education announced more than 540 sites across Iowa are serving free, nutritious meals to children through the Seamless Summer Option and Summer Food Service Programs.

These federally funded programs, which first began as a pilot program in 1968, are open to all children ages 18 and under in a variety of convenient locations across the state, including schools, churches, community centers, parks, libraries and camps.

Families can find their local summer meal site through the following options:

- Call for assistance
  - 2-1-1
  - 1-866-3-HUNGRY (1-866-348-6479), English
  - 1-877-8-HAMBRE (1-877-842-6273), Spanish
- Visit <https://www.fns.usda.gov/summer/sitefinder>

“These summer nutrition programs help ensure children in low-income areas who rely on school meals during the school year don’t go hungry during the summer months,” said Kala Shipley, bureau chief for nutrition and health services at the Iowa Department of Education. “Last summer, more than 3 million meals and snacks were served to children and we are excited to expand access to healthy meals this summer at convenient locations across Iowa communities.”

The Department administers these programs to maintain children’s access to healthy meals during out-of-school months. The [Healthy Kids Iowa pilot](#), launched by the Iowa Department of Health and Human Services, builds on this effort by offering eligible families up to \$40 per child per month in fresh, nutritious foods throughout the summer.

“In partnership with our dedicated network of community-based providers, the Healthy Kids Iowa initiative builds upon our well-established summer feeding programs,” said McKenzie Snow, Director of the Iowa Department of Education. “Together, we can grow the reach and impact of our vital child nutrition programs, providing young Iowans with no-cost, healthy meals and food options that best meet the needs of our families.”

Additional information for the [Summer Food Service Program](#) and [Summer Seamless Option](#) are found on the Department’s website. More information on the [Healthy Kids Iowa pilot program](#) can be found on the Iowa Health and Human Services website.

*(Info from Iowa Department of Education)*

*(Contact: Kristin Rozeboom 1-3015)*

## Environmental Protection

### Proposed RFS Blending Rule a Strong Starting Point

On Thursday, June 13, 2025, the Iowa Renewable Fuels Association (IRFA) issued a press release commenting on the United States Environmental Protection Agency (EPA) release of its draft rule to set renewable fuels standard (RFS) blending levels for 2026-2027. The rule, which will now go through a period of public comment and review prior to being finalized, set the total RFS blending level at 24.02 billion gallons, a record amount, and biomass-based diesel, which includes biodiesel, at 5.61 billion gallons. The conventional blending level, which includes corn ethanol, is 15 billion gallons.

President Trump had challenged refiners and renewable fuels to come up with a unified RFS blending level request. Despite differences in the past, a joint request was submitted to the EPA.

*(Contact: Lew Olson 1-3096)*

## Health and Human Services

### Iowa’s Mental Health System Moves Forward July 1

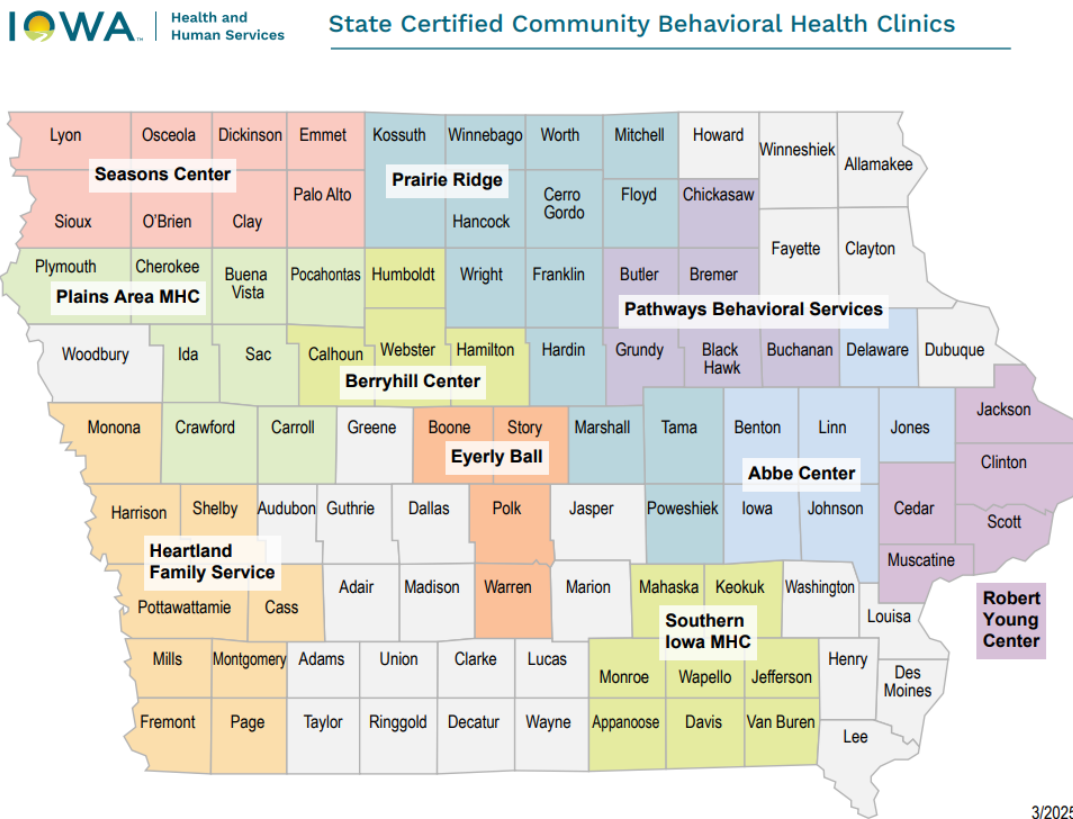
In 2024, the legislature passed legislation to develop a new behavioral health system to improve outcomes, remove duplication and create a statewide plan to improve mental health in every corner of the state. This new and improved system goes into effect on July 1.

The Iowa Primary Care Association serves as the administrative service organization in all seven behavioral health districts after being selected through a competitive bid process. IPCA has been busy building a provider and partner network directory to ensure we have accurate information about those interested in contracting to provide services to support Iowa’s Behavioral Health Service System continuum of services.

This Spring, the state released its Behavioral Health Statewide Service System Plan. This plan was developed with input from direct care professionals, behavioral health advocates, law enforcement, local governments and community voices throughout the state. According to the Iowa Department of Health and Human Services, “the plan outlines a comprehensive, person-centered system of care, focused on building a full behavioral health continuum. This includes prevention, early intervention, treatment, recovery, and crisis services – all interconnected to support Iowans at every stage of their journey.” The plan can be found here:

[https://publications.iowa.gov/52481/1/HHS%20BH%20State%20Plan%202025%20APPROVED.pdf?utm\\_medium=email&utm\\_source=govdelivery](https://publications.iowa.gov/52481/1/HHS%20BH%20State%20Plan%202025%20APPROVED.pdf?utm_medium=email&utm_source=govdelivery).

Additionally, July 1 begins Iowa's Certified Community Behavioral Health Clinics. These Clinics provide mental health and substance use services to anyone who comes into their services. The services include mobile crisis teams, crisis stabilization, outpatient mental health and substance abuse services, targeted case management, peer support and intensive community-based mental health care for veterans. The map of coverage is below and covers almost three quarters of the state:



House Republicans know this transition will be an adjustment for many providers in the state, and are always willing to assist any constituent that has questions going forward.

(Contact: Natalie Ginty 5-2063)

## Labor

### Iowa's Unemployment Rate Rises Slightly to 3.6 Percent

Iowa's seasonally adjusted unemployment rate rose slightly to 3.6 percent in May, up from 3.5 percent in April, despite 3,900 Iowans joining the labor force. The labor force participation rate rose to 67.3 percent, up from 67.2 percent in April. Meanwhile, the U.S. unemployment rate remained at 4.2 percent.

The total number of unemployed Iowans increased to 62,400 in May from 60,700 in April.

The total number of working Iowans increased to 1,669,100 in May. This figure is 2,100 higher than April and 5,700 higher than one year ago.

"Iowans continued to rejoin the labor force in May, with nearly 4,000 people who were previously on the sidelines coming back to launch their search for a new career," said Beth Townsend, Executive Director of Iowa Workforce Development. "IWD is well positioned to help connect these people seeking employment with career planners who

understand how to work one-on-one to help match those individuals who want to work with the employers who need their skillsets. Despite some pullback in May, Iowa employers currently have more than 49,000 open jobs posted on [IowaWORKS.gov](http://IowaWORKS.gov).”

### **Seasonally Adjusted Nonfarm Employment**

In May, businesses in Iowa lost 5,200 jobs, lowering total nonfarm employment to 1,593,300. Private service industries were responsible for most of the decline, although goods-producing firms decreased slightly as well. Public education offset some of this loss, fueling a gain of 1,000 jobs added, mostly at the local level. This month’s loss erases two previous consecutive months of job gains in March and April.

Professional and business service industries decreased by 1,200 jobs since April. This drop was fueled by losses in administrative support and waste management industries; this sector led all others in terms of jobs lost. Financial activities also decreased by 1,200 jobs, lowering this sector to a level not seen since February 2015. This sector produced minor gains over the last two months totaling 800 jobs. Private education services decreased by 1,000 jobs in May, which was the same for the combined trade and transportation super sector.

Iowa’s manufacturing sector continues to lead in annual jobs lost (-8,400). Durable goods-producing factories have been responsible for most of this decline (-5,900). The professional and business services sector is down 4,600 jobs over the past 12 months. Administrative support and waste management is responsible for a majority of the drop (-2,800). Conversely, health care and social assistance continues to trend up despite a slight decline this month. This sector has gained 4,600 jobs over the past 12 months. Other services is up 2,100 jobs. Industries in this sector include repair and maintenance, civic and social organizations, and other personal services.

*(Info from Iowa Workforce Development)*

*(Contact: Kristin Rozeboom 1-3015)*

## **Local Government**

### **Local Government Bills Going into Effect Next Week**

This past legislative session the House Local Government Committee reported 10 pieces of legislation that were signed into law by the Governor. While some of those new laws were effective immediately or retroactively, seven of these laws will go into effect on July 1. Below is a recap of the new laws.

#### **HF 652 - County & City Regulation of property and Boards of Adjustment**

Allows boards of adjustments to grant variances to zoning ordinances if the variance does not alter the character of the surrounding neighborhood and the owner can prove that practical difficulties are not self-created and are unique to the property.

#### **SF 592 - Accessory Dwelling Units**

Requires counties and cities to allow one accessory dwelling unit on the same lot as a single-family residence. Counties and cities may not adopt more restrictive requirements on an accessory dwelling unit than the single-family residence.

#### **HF 645 - Nuisance Actions for Racetracks**

Provides immunity to existing racetracks from nuisance actions from a change in a municipality’s ordinances if the venue has been in operation for over a year. The protection for the venues shall only apply for lawful operation of the venue.

#### **HF 903 - Partial payments for farm-to-market roads**

Clarifies that partial payments do not constitute final acceptance of the work. Specifies that approval for partial and final claims can be made by the board of supervisors, county engineer, or the Department of Transportation.

### **HF 894 - Liens on snowmobiles, ATVs, water vessels**

Allows the release of liens for a snowmobiles, ATVs, and water vessels by any county recorder with proof of release.

### **SF 588 - Notice Requirements**

Code cleanup bringing conformity to public notice requirements. Iowa Code 362.3 requires that public notices of an official action required by city code to be published at least once between 4 and 20 days before the official action (election, hearing, etc.).

### **SF 311 - City Civil Service Bill**

Prohibits cities from using citizen review boards of police officers. Increases commission memberships in cities above 50,000 in population. Restricts the removal or suspension of civil service employees to violations of law or city policies. Prohibits lawyers who have ever represented the civil service commission from representing the city in an appeal. Allows both parties in an appeal the right to discovery. Employees who prevail in their appeal are entitled to reasonable lawyer fees and costs and expenses.

### **HF 297 - Emergency Services Savings Funds**

Creates an optional reserve savings fund for cities to make purchases or large maintenance on equipment for police, fire, rescue, or emergency medical services. Fund would be allowed to carry over fiscal year. Clarifies in code that a city council member may be appointed Chief of volunteer firefighters or an appointed officer position by a majority vote of the council and the council member must abstain from their appointment vote.

(Contact: Jason Covey 1-3626)

## **Natural Resources**

### **DNR Urges Public to Help Stop Aquatic Hitchhikers this Fourth of July**

On Tuesday, June 24, 2025, the Iowa Department of Natural Resources (DNR) issued a press release that reminds all boaters and anglers to check for unwanted hitchhikers on their boats and equipment this Fourth of July to help protect Iowa lakes and streams. Aquatic invasive species move from one water body to another by hitchhiking on boats, in bait buckets and on other equipment used in the water. They can create serious problems for Iowa waters and negatively impact the quality of outdoor recreation experiences. These invasive species often grow quickly and spread fast when brought to another lake or stream due to a lack of natural predators or competitors. Boaters and anglers can help prevent the spread of aquatic invasive species to new water bodies by cleaning, draining and drying their boats and equipment after each time on the water.

- CLEAN any plants, animals, or mud from your boat and equipment before you leave a waterbody.
- DRAIN water from all equipment (motor, live well, bilge, transom well, bait bucket) before you leave a waterbody and leave drain plugs out during transport.
- DRY anything that comes into contact with water (boats, trailers, equipment, boots, clothing, dogs). Before you move to another waterbody either: Spray your boat and trailer with hot or high-pressure water; or dry your boat and equipment for at least five days.
- Never release plants, fish or animals into a water body unless they came out of that waterbody and always empty unwanted bait in the trash.

These steps are not only recommendations; they are the law. It is illegal to possess or transport aquatic invasive species, transport any aquatic plants on water-related equipment, and transport boats with drain plugs intact in Iowa. It is also illegal to introduce any live fish or plants, except for hooked bait, into public waters. Learn more about aquatic invasive species, including a list of infested waters in the current *Iowa Fishing Regulations* or at [www.iowadnr.gov/ais](http://www.iowadnr.gov/ais).

## Public Safety

### Does New York's Socialist Embrace Impact Iowa?

New York Democrats have rallied around radical socialist Zohran Mamdani for mayor. Mamdani has announced catastrophically expensive ideas such as free childcare for every child under 6, a \$30 minimum wage and city-run grocery stores. Mamdani is an ardent anti-capitalist and has expressed anti-private property opinions.

According to the NY Post, Mamdani wants to transfer \$600 million from the NYPD and instead put it into a new mental health department. Also according to the Post, NYPD has lost about 6,000 employees since 2000. Almost 2,600 of that drop has come since the government imposed COVID-19 lockdowns.

Florida Governor Ron DeSantis is already planning for another round of New Yorkers relocating to sunshine state after thousands arrived during New York's pointlessly long lockdowns. In fact Florida already has a plan in place to recruit NYPD personnel.

Florida offers a \$5,000 signing bonus (after taxes) to out-of-state law enforcement officers who relocate and join local police departments or sheriff's offices through the Florida Law Enforcement Recruitment Bonus Program, launched in 2022. Over 3,350 bonuses have been awarded, with 915 officers moving from other states. Additional benefits include tuition assistance and housing programs.

Does the state of Iowa do anything like this?

There is no statewide program in Iowa offering monetary sign-on bonuses specifically for out-of-state police officers relocating to the state.

Some cities have moved in this direction however.

The Iowa City Police Department offers a \$5,000 sign-on bonus for ILEA-certified officers, which includes out-of-state officers who meet reciprocity requirements. This bonus is part of their recruitment strategy to address staffing shortages, with a starting salary for certified officers up to \$92,684 annually, depending on experience. The residency requirement is living within 25 miles of Iowa City within one year of hire.

The Ankeny Police Department provides a \$10,000 sign-on bonus for certified officers with at least two years of post-academy service. Out-of-state officers with equivalent certifications may qualify for lateral transfer if they meet ILEA standards, with starting salaries of \$75,132 for two years of experience or \$78,889 for three or more years.

The Boone Police Department offers a \$5,000 sign-on bonus for certified officers, which can include out-of-state officers who meet ILEA reciprocity requirements. Applications are accepted with a deadline, and the starting salary is \$53,050.08 annually.

As big blue cities continue their march towards more spending, even higher taxes and anti-law enforcement policies, states like Florida and even Iowa may be in a position to recruit law enforcement officers looking for a change.

Contact: Jeff Mitchell 1-5137)

## State Government

### State Government Bills Going into Effect Next Week

This past legislative session the House State Government Committee reported 32 pieces of legislation that were signed into law by the Governor. While some of those new laws were effective immediately or retroactively, fourteen of these laws will go into effect on July 1. Below is a recap of the new laws.

#### **HF 260 - Lottery Cleanup**

Code cleanup changes to address the move from an independent authority to a division of the Department of Revenue. Amends code to provide more flexibility for the Department of Revenue to utilize the full department to conduct lottery business that has been previously limited to solely lottery staff. Safeguards lottery information that can be abused to manipulate odds of winning from open records requests.

#### **SF 166 - Bank Utilization of Filing Services**

Amends code to allow the secretary of state to provide banks to file for preclearance and expedited filings services.

#### **HF 470 - Revenue ABD Bill**

Updated the definition of “canned cocktail” and “mixed drink cocktail” to include drinks made with a beer or wine base. Updates code to require license applicants to use the USPS Verified Address for their licensed premise in their application to the Department.

#### **HF 844 - Eligibility requirements for financial institutions public money**

Repeals section of code requiring the Treasurer of State to establish a list of eligible financial institutions to accept state public funds.

#### **HF 397 - Safe at Home Program Bill**

Makes several updates to the address confidentiality program to make it easier for an applicant to use a shelter as their address. Allows for the Secretary of State to perform necessary list maintenance to remove a participant if credible information is received that they have died or to cancel their voter registration if they have registered to vote in another state.

#### **HF 398 - Corrections Appointments**

Aligns the Board of Corrections’ role to be align with last year’s Boards and Commission’s bill. Amends that appointments made within the Department of Corrections are not contingent on the approval of the Board of Corrections, but that the board serves to provide advice and recommendations of such appointments.

#### **SF 162 - IPERS Notification Bill**

Repeals from Iowa Code the requirement that IPERS mail by first class mail notice of a terminated employees’ balance and status. This information is available online through their IPERS’ account and electronic notifications are current practice.

#### **SF 213 - DAS Libraries**

Strikes reporting requirements that are redundant now that State Library is under the Department of Administrative Services. Updates Iowa Code to change “access plus” to interlibrary loan programs.

#### **HF 776 - DIAL Department Bill**

Allows DIAL and boards under their purview to adopt standards by reference to online publication. Allows complaints to be closed administratively if they don’t include violations of DIAL Chapter of code. Allows audits and investigation of the Board of Medicine, Board of Pharmacy, Dental Board, and Board of Nursing to be conducted by the Department. Shifts rulemaking authority over handicapped parking from DPS to DIAL.

**HF 248 - Adoptive Parent Employees Leave**

Requires employers to treat adoptive parents of a child 6 years or younger the same as employees who are biological parents of a newborn regarding their parental leave policies.

**HF 706 - Open Meetings and Open Records**

Increases fines for violations of Open Meeting laws and removal from office for a repeat offense. Requires all elected and appointed members of governmental bodies to complete an education course for Open Meeting and Public Information law compliance.

**SF 314 – Real Estate Brokerage Agreements**

Clarifies which properties are exempt from the required brokerage agreements. Clarifies that license applications allow for changing between salesperson and a broker license.

**HF 711 - Barber Training Programs**

Creates an establishment training program to allow licensed establishments to employ unlicensed individuals to provide shampooing, cutting, coloring, and hairstyling services under the supervision of a licensee. Unlicensed individuals must complete 2 hours of education on laws, rules, and sanitation practices for barbering and cosmetology. Customers must receive written notice that the employee is unlicensed prior to receiving services. Licensed establishments participating in the program shall be inspected by the Department and can have formal proceedings brought against the establishment including licensure revocation or suspension.

**HF 889 - Governor Employee Parental Leave**

Provides paid parental leave to state employees who are entitled to leave under the Federal Family and Medical Leave Act of 1993.

*(Contact: Jason Covey 1-3626)*

## Transportation

### Hands Free Law Goes into Effect on Tuesday

As the calendar turns to July 1, a host of new laws go into effect in the state of Iowa. In the Transportation arena, the biggest change comes as the state becomes the 31<sup>st</sup> to implement a hands-free law.

The bill repeals Iowa's existing ban on texting while driving and replaces it with language that prohibits a driver from using a cell phone or other hand-held electronic device while operating a motor vehicle if it is in their hands. The driver can use the cell phone if it is in "hand-free" mode.

Senate File 22 does provide a list of exceptions where operating an electronic device in a driver's hands would be permissible. These exceptions are:

- members of a public safety agency performing official duties;
- health care professionals in the course of emergency situations;
- for the purpose of receiving safety-related information;
- for the purpose of reporting an emergency situation;
- persons operating an implement of husbandry;
- certain radio operators;
- members of a public transit system performing official duties while in a vehicle that is not in motion;
- utility maintenance employees or contractors for the purpose of providing utility services;
- transportation network company drivers engaged in a prearranged ride while the vehicle is not in motion; and
- persons using an electronic device for the purpose of accessing or using a fleet management system.

Additionally, a driver can use a cell phone in their hands once they have pulled the vehicle off the road.

Under the bill, a violation will result in a \$100 fine and will be considered a moving violation. Since this will be a major change for many drivers in the state, warnings will be issued for the first six months. On January 1, 2026 the fines will start to be assessed for violations.

(Contact: Brad Trow 1-3471)

## Veterans Affairs

### Veterans Bills Effective July 1

This session, the legislature passed many bills to help Veterans in Iowa. Below is a list of bills that are effective July 1, 2025.

- **County Commissions of Veterans Affairs** - HF250 comes from the Iowa Department of Veterans Affairs to update a legislative report to be based on the fiscal year, rather than calendar year, and to provide oversight over the training of county executive directors and administrators by the commandant of the Iowa Department of Veterans Affairs.
- **Disabled Veteran Hunting** - HF885 allows disabled veterans able to receive one any sex deer hunting license during any firearm deer hunting season using the method of take allowed during that season. This bill also increases the number of nonresident wild turkey hunting licenses for those that served in the military and are disabled from 25 to 75.
- **National Guard Service Professional Qualification Scholarship Program** – HF117 creates the National Guard Service Professional Qualification Scholarship Program, administered by the college student aid commission. This program is designed for Iowa National Guard members who are enrolled in educational programs leading to approved credentials. Eligible individuals must be residents of Iowa, have completed initial active-duty training, and maintain satisfactory academic progress. The scholarship awards will cover the total cost of the educational program, and the adjutant general will certify eligibility and award amounts. The bill also allows for the carryover of unspent funds to the next fiscal year for this purpose.
- **Modification of National Guard Service Scholarship Program** – HF 118 modifies the national guard service scholarship program in Iowa. It establishes that scholarship awards cannot exceed the difference between the tuition rate at the institution attended by the national guard member and any financial aid received under specified federal programs. The bill also removes the provision that eligibility and scholarship determinations cannot be based on a national guard member's unit or drill location.
- **Veterans Transfer into law enforcement**- HF 901 allows military veterans with military police experience and former federal law enforcement officers to become certified law enforcement officers in Iowa without completing the usual training program. To qualify, veterans must have served at least four years and have recent military police training, while former federal officers must have four years of service and equivalent training. They need to submit proof of their service and training. The law enforcement council will review applications and can approve candidates for a special program or suggest other training if needed. The council will also publish an annual report on the number of certified veterans and federal officers.
- **Lifetime Fur Harvester License for Disabled Veterans** – SF253 Proposes to include provisions for issuing a lifetime fur harvester license to residents of Iowa who are disabled veterans or were prisoners of war during

their military service. The bill specifies that these veterans can obtain the license upon payment of a fee established by the Department of Natural Resources (DNR). Furthermore, the DNR is tasked with preparing an application for this license, while the Department of Veterans Affairs will assist in verifying the applicants' status.

*(Contact: Natalie Ginty 5-2063)*

## Ways & Means

### **Senate File 657—Economic Development Tax Credit Modernization**

This article focuses on Divisions VI, VII, and VIII of Senate File 657—covering the new seed investor tax program as well the elimination of the investments in qualifying businesses tax credit program.

#### **Division VI—Seed Investor Tax Credit Program**

This division provides that the Seed Investor Tax Credit Program's purpose is to create wealth and accelerate the creation of new ventures by using investment tax credits to incentivize the transfer of capital from investors to entrepreneurs, particularly during early-state growth.

This program provides a tax credit for a portion of a taxpayer's equity investment in a qualifying business as provided. The amount of the tax credit shall equal 20 percent of the taxpayer's equity investment if the qualifying business is located in an urban area, or 35 percent if the qualifying business is located in a rural area.

The maximum amount of a tax credit that may be issued per calendar year to a person and the person's spouse or dependent shall not exceed \$100,000 combined. The maximum amount of a tax credit that may be issued per calendar year for equity investments in any one qualifying business shall not exceed \$500,000. The tax credit is not transferable.

#### **Divisions VII and VIII—Elimination of the Investments in Qualifying Business Tax Program & Conforming Changes**

Because of the creation of the Seed Investor program, these divisions repeal the Investments in Qualifying Business (Angel Investor) Tax Credit Program, effective June 30, 2025. The divisions allow any tax credit issued on or before June 30, 2026, by the IEDA related to the Program to remain valid according to the terms of any contractual agreement between the business and the Authority.

For the next newsletter this article will be on the new Iowa Film Production Incentive Program and Fund.

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