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Appropriations

Despite Cold Weather, Gaming Tax Revenue Continues to Run Ahead of Forecast

January was a cold month in Iowa. But the frigid temperatures did not deter people from visiting the state’s casinos, as gaming tax revenue grew slightly over last year. Winter weather did not stop many from placing bets on sporting events.

For January, state casinos paid \$25.462 million in gaming tax. This was an increase of \$100,000 over January 2025’s collections. Through seven months of Fiscal Year 2026, gaming tax collections have been \$176 million. This is a decline of less than \$3 million when compared to the same period in Fiscal Year 2025. Still, actual receipts are running ahead of the Revenue Estimating Conference’s prediction of a \$12 million drop in gaming tax revenue. The slight drop in collections is most likely due to the final year of phasing in the elimination of the tax on promotional play.

Next month’s receipts will be important in determining how the state will be able to address infrastructure issues. Any positive adjustment in the gaming tax receipts from what the REC forecast in December will give the Transportation, Infrastructure, and Capitals budget subcommittee additional resources as they put together their spending proposal. This would be helpful, as many groups are approaching the committee seeking significant investment from RIIF in Fiscal Year 2027

January’s sports wagering tax collections continued FY 2026’s strong performance. For the month, the state collected \$1.87 million in taxes on sports betting. This is an increase of \$125,000 over last January’s figures. For the first seven months of FY 2026, sports wagering tax receipts have been \$12.2 million. This is \$2.4 million or 24.56 percent ahead of collections last year. The state is on track to exceed \$20 million in sports wagering tax revenue for Fiscal Year 2026.

(Contact: Brad Trow 1-3471)

Agriculture

Agriculture Committee Pushes Important Bills Ahead of Funnel

The House Agriculture Committee was active this week on a half-dozen topics. They included: thoroughbred and quarter horse racing, farm-raised shellfish, diesel exhaust fluid (DEF), a grain indemnity audit fix, liability protection from greenhouse gas lawsuits (which the committee chair has dubbed the “cow-gas” bill), and a water quality bill requiring the Department of Natural Resources to do DNA testing of fecal bacteria to know its source.

House Study Bill 684 (DEF) mandates that original farm equipment manufacturers must make available to owners, lessees, or licensees the same diagnostic and repair information, technical updates, embedded software, replacement

parts, and diagnostic repair tools for DEF systems as they provide to authorized repair providers. The bill prohibits manufacturers from imposing unfair restrictions or additional burdens on access to these materials and voids any contractual waiver of these rights. The attorney general is granted rulemaking and enforcement authority, and violations are classified as unfair or deceptive trade practices, subject to civil penalties.

House Study Bill 693 (Cow-Gas) creates protections for defendants in Iowa from civil or criminal liability for any alleged actual or potential effects on climate resulting from greenhouse gas emissions. The immunity applies to emissions from agricultural and renewable fuel sources, as well as specific gases listed in the bill. Liability is only possible if it is clearly proven that the defendant violated an enforceable statutory limitation or a valid, enforceable permit term related to greenhouse gas emissions. The bill does not create any new right to sue for climate effects and applies regardless of the type of relief sought. Plaintiffs must meet strict evidentiary standards when alleging damages or injury from greenhouse gas emissions.

(Contact: Mindy Larsen 1-3096)

Commerce

Iowa Car Insurance Costs Continue to Decrease

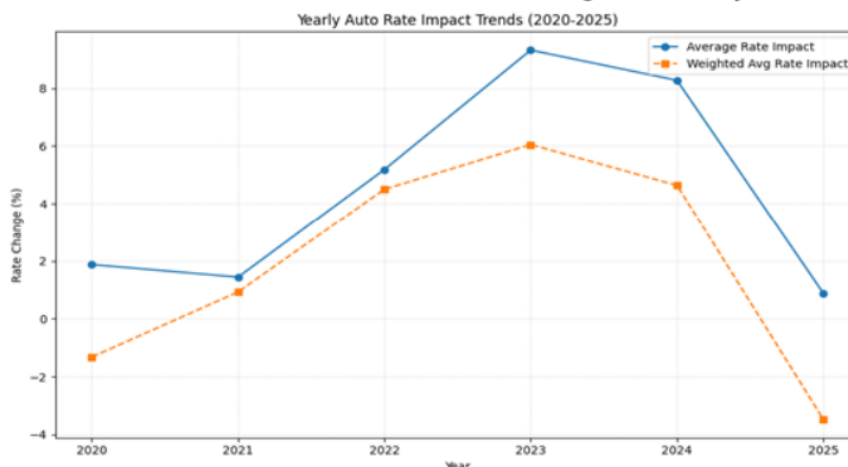
The following was provided by Des Moines Axios on February 5th:

Iowa has some of the fastest-falling car insurance costs in the country, a new [Insurify report](#) finds. **Why it matters:** A 25% decline in average premiums in 2025 is another win for Iowa drivers who have now seen [consecutive years](#) of declining rates. **What's next:** Insurify projects average Iowa premiums will fall by 1.3% by the end of this year — though U.S. tariff policy poses a "potential wrinkle" in such forecasting.

This article supports information recently presented to the House Commerce Committee from the Iowa Insurance Division. Car insurance rates are seeing the sharpest decrease and Commissioner Ommen attributes some of the decrease to Iowa's distracted driving law and reduced car accidents in the state.

▶ Personal Auto Insurance Rates Are Going Down

- Some of the state's largest personal auto carriers have filed for rate decreases in excess of 4%, which will mean noticeable savings for many Iowans.



Source: IID Rate Filing Data as of December 2025



(Contact: Natalie Ginty 5-2063)

Cyber and AI Legislation Clears House Economic Growth Committee

House Study Bill 609 passed the House Economic Growth Committee this week on a party line vote. The bill requires several state agencies to collaborate and bring the state up to speed on cyber and artificial intelligence issues.

Specifically, the bill requires the workforce development board to establish a comprehensive initiative to address the state's cyber and artificial intelligence workforce needs.

The comprehensive initiative is required to include:

- Support for the development and implementation of standards for cyber and artificial intelligence literacy for K-12 public school curriculum;
- Facilitation of partnerships between regent schools and private industry to create internships, research opportunities, and specialized degree programs; and,
- (Subject to an appropriation) establish and operate a grant program available to educational institutions and private sector entities for training and programs designed to facilitate career transitions to cyber or artificial intelligence employment for current professionals.

House Study Bill 609 also requires the state board of education to oversee, (with the regents and community colleges) the implementation of curriculum from kindergarten through higher education that includes:

- Prioritization of federal funding opportunities to bridge the gap between K-12 and higher education in cyber and artificial intelligence;
- Establishment of statewide, mandated outcomes/standards for cyber and artificial intelligence literacy;
- Development and adoption of consistent statewide standards for cyber and artificial intelligence education; and,
- Establishment of a voluntary certification program for school districts, accredited nonpublic schools, charter schools, and innovation zone schools to achieve a designation or certification recognizing compliance with established standards and best practices related to cyber and artificial intelligence.

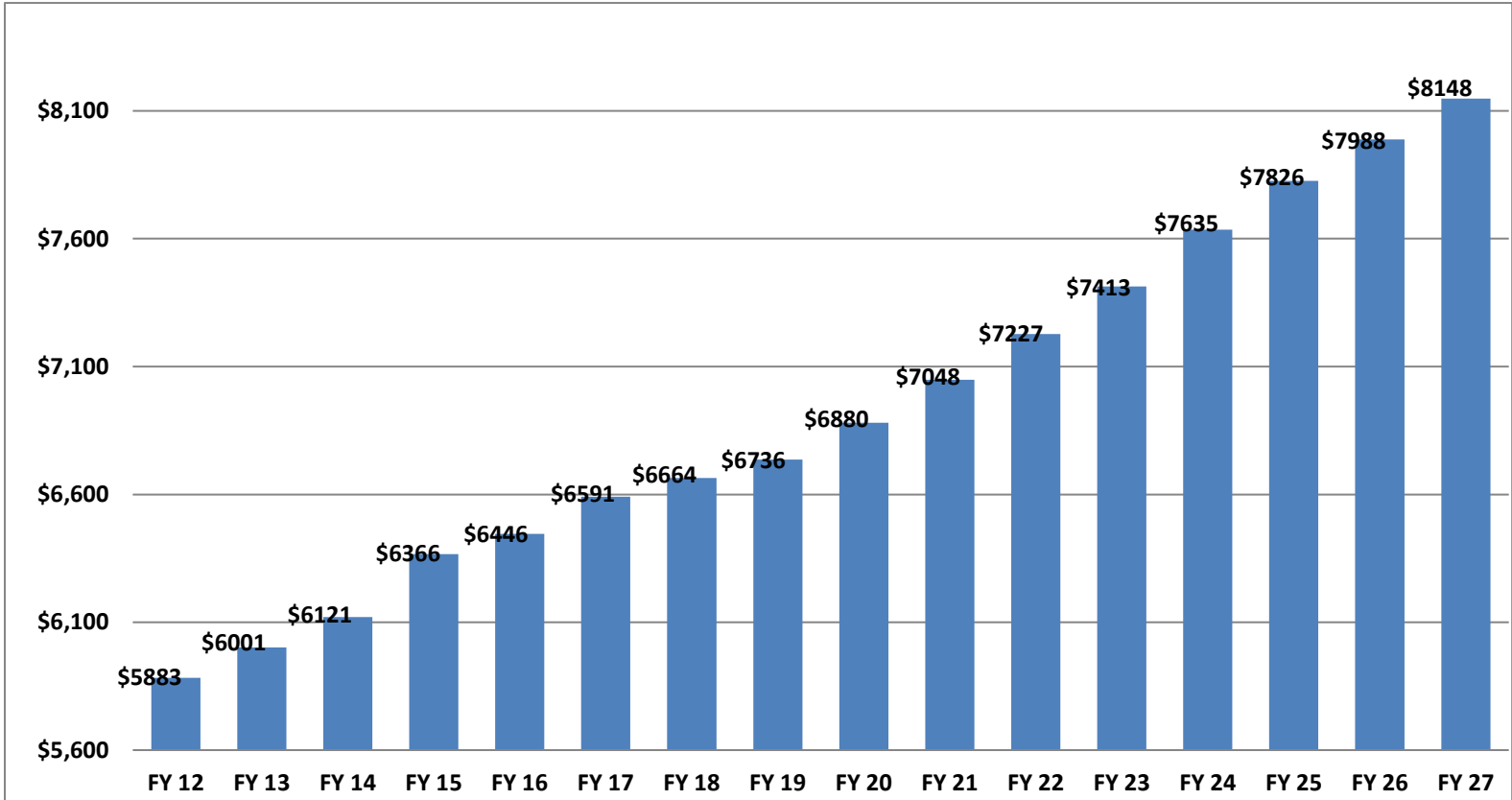
Finally, the bill requires the department of education to develop and implement (with DPS), a statewide community education initiative for cyber and artificial intelligence awareness. House Study Bill 609 is now ready for consideration by the full house chamber.

(Contact: Kristi Kiou 2-5290)

Education

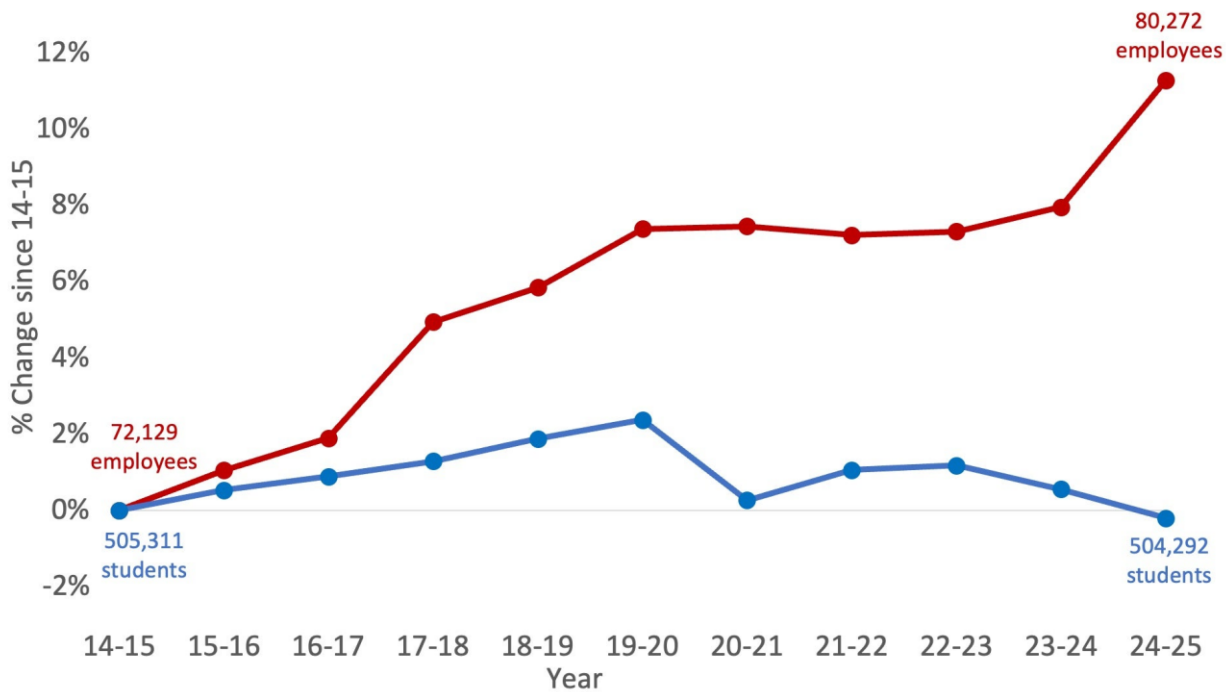
Per Pupil Funding Increases, School Staff Increases, but Enrollment is Down

In the Legislature discussions around education funding are always framed with the assumption that more funding means more resources for students. It turns out more funding leads to more administrative costs. Look at the charts below:



As funding has increased, enrollment has decreased and the number of employees has risen dramatically. Does education in Iowa have a funding issue or an enrollment issue? Iowa needs more babies, more children, more students. The below graph by Edunomics Lab shows the huge increase in staffing versus enrollment trends. To view other state trends or the national trend you can click here: <https://edunomicslab.org/staffing-v-enrollment-trends/>

Iowa: Staffing vs Enrollment Trends (Cumulative % change since 14-15)



Analysis by Edunomics Lab using data from: [NCES Common Core of Data](#)

(Contact: Kristin Rozeboom 1-3015)

Health and Human Services

Republicans Focus Welfare Programs on True Safety-Net

This week, the House Health and Human Services Committee introduced House Study Bill 696, that focuses Iowa’s public assistance programs on caring for disabled Iowans and preparing able-bodied adults for life after welfare. This bill builds on the work of the legislature the last several years with work requirements for able-bodied adults, healthy food standards for the Supplemental Nutrition Assistance Program (SNAP), and asset testing for SNAP. These bills set reasonable expectations for taxpayer funds, ensure dignity in work, and emphasize that safety-net programs for low-income Iowans are not intended to be lifelong government dependent programs.

House Study Bill 696 does the following:

- **Helping the Disabled:**
 - Makes the following changes to the Medicaid for Employed People with Disabilities Program:
 - Expands eligibility from 250% FPL to 300% FPL. DHHS estimates this will cost \$3 million in FY27, \$5 million in FY28 and \$9.7 million in FY29.
 - Excludes pension accounts from income eligibility determinations. DHHS estimates this will cost \$1.275 million in FY27, \$1.945 million in FY28 and \$3.8 million in FY29.
 - Strikes limits on DHHS charging premiums
 - Requires DHHS to maintain a website for individuals to pay premiums electronically

- Requires a study and annual reporting on Medicaid Exceptions to Policy
 - Requires an increased base reimbursement rate for HCBS providers in rural areas to cover the travel time and expenses incurred
 - Requires DHHS to amend rules regarding the rates of special population nursing facilities to allow for the transfer of high-needs individuals from ChildServe to On With Life.
 - Requires DHHS to convene a work group to examine the unique service needs of high-acuity pediatric recipients of Medicaid and hawk-I with a report due to the legislature.
- **OBBB Implementation:**
 - OBBB requires states to cost share in SNAP costs if payment error rate exceeds 6% beginning in FFY2028 and removes the ability for a state to waive erroneous excessive payments under Medicaid if they exceed 3% error rate.
 - This bill requires DHHS to submit quarterly reports to the legislature detailing SNAP and Medicaid error rates.
 - This bill seeks multiple waiver requests regarding the SNAP error rate including excluding individuals under 22 years of age from income, allow for automated sources to determine eligibility/benefits, require benefits to be used within 3 months, only attribute the errors of DHHS to the SNAP error rate and require all information at initial application for the applicant.
 - Requires full implementation of SF494 from 2023 by January 1, 2027.
 - OBBB require that beginning October 1, 2028, Medicaid expansion states must provide “for the imposition of such deductions, cost sharing, or similar charges determined appropriate by the State” (in an amount greater than \$0 but below \$35) to individuals between 100%-138% FPL.
 - This bill codifies the current practice of \$8 copay for nonemergent use of the ER and \$5 monthly contribution for not receiving a preventative health exam. Additionally, this bill prevents individuals from re-enrolling in IHWP after multiple failures to pay \$5 monthly contribution unless they pay back premiums.
 - This bill allows IHWP providers to impose a fee of \$5 or less on a member based on their failure to attend a scheduled appointment with the provider.
 - This bill also imposes a \$5 copay for diagnostic dental procedures and \$1 copay for a prescription drug when a suitable generic equivalent drug is available to the member.
- **Welfare Reform:**
 - Allows DHHS to require proof of at least 12 months of residency in Iowa on applications for public assistance. This section exempts individuals receiving Social Security.
 - Requires DHHS to restrict participation in WIC (Women, Infants Children) program to citizens and qualified aliens and codifies use of the SAVE program for public assistance eligibility. WIC provides services which include: nutrition education, breastfeeding promotion and support, and immunization screening and referrals.
 - Codifies the DIAL annual public assistance fraud report
- **Ensuring Legislative Oversight:**
 - Requires DHHS to do a cost neutral analysis prior to submitting a waiver request for Medicaid to CMS. If the waiver is determined to be not cost neutral to the state, DHHS shall not submit the request unless approved by a majority vote of both chambers of the legislature.

(Contact: Natalie Ginty 5-2063)

Judiciary

House Judiciary Committee Moves More Bills Before Funnel Deadline

HSB 564- Safety of those Involved with the Courts

This is an AG sponsored bill to protect those in the Courts and the Attorney General's Office. It does three main things:

1. **Allows Judicial and Legal Officers to Carry Weapons:** Allows Judges, the Attorney General, and deputy AG, or assistant AGs, to apply for professional permits to carry weapons. The Judicial Branch can set additional standards for Judges to carry weapons.
2. **Creates a Crime for Threatening Judicial Officers or Their Families:** The bill makes it a serious crime (a Class "C" felony) to threaten a judge or their immediate family with the intent to scare them, interfere with their work, or retaliate against them.
3. **Criminalizes Sharing Personal Information to Harm Judges:** It also makes it a misdemeanor to maliciously share a judge's or their family's personal information, like their home address, if the intent is to cause harm or prevent them from doing their job.

The bill was amended in committee to clarify that first degree harassment can occur online and in other forms of communication.

HSB 617 Sexual Exploitation and Sentences-

The bill prohibits courts from granting deferred or suspended sentences to individuals convicted of sexual exploitation of a minor (section 728.12) if the victim was under twelve years of age or prepubescent at the time of the offense.

HF 922- Financial Discrimination-

House File 922 makes it illegal for financial institutions to discriminate against people based on their social credit scores when providing financial services. Discrimination includes refusing or limiting services due to factors like protected speech or certain business activities. If a person is denied services, they can request a written explanation from the financial institution, which must respond within 14 days. The bill allows the attorney general to enforce these rules, and individuals harmed by violations can seek damages, with higher penalties for willful violations.

(Contact: Amanda Wille 1-5230)

Labor

IWD Opens Grant Opportunity Supporting Summer Youth Internship Programs

Iowa Workforce Development (IWD) is opening a new round of grant funding today to help employers advance promising summer internship programs for Iowa's youth.

The Summer Youth Internship Program exists to help generate promising summer work experiences for young Iowans in high-demand fields spread across the workforce. These efforts can drive new career interests and help employers further build their workforce pipeline.

Applications are now open at iowagrants.gov and will be accepted through Monday, February 16, 2026, at 2:00 p.m.

Eligible grant applicants include nonprofits, educational institutions, employers, and community organizations. Priority funding will be given to programs that:

- Provide internships to youth at risk of not graduating, from low-income households, or who face barriers to upward mobility in the labor market.
- Demonstrate their ability to recruit and co-enroll internship participants in their local area's Workforce Innovation and Opportunity Act (WIOA) Title I Youth Program.

Programs must be based in a high-demand occupation as determined by the state ([view Iowa's high-demand occupations list](#)). Awarded funds can be used for participant wages, compensation after program completion, training resources, program supplies and materials, and administrative costs.

“Equipping our workforce for the future means creating meaningful experiences in industries across the workforce, and this program is a gateway to a future career,” said Beth Townsend, Executive Director of Iowa Workforce Development. “The Summer Youth Internship Program not only helps students discover rewarding careers, it also gives employers a chance to invest in their future talent pipeline. We encourage eligible businesses across Iowa to take advantage of this program and jumpstart a meaningful internship this summer.”

The full list of grant requirements and the notice of funding can be found at: [Summer Youth Internship Program](#). Interested organizations can register for an upcoming grant webinar using the link below.

Register for Webinar (Zoom): [Thursday, January 22, 2026 at 1:00 p.m.](#)
(Info from Iowa Workforce Development)

(Contact: Kristin Rozeboom 1-3015)

Local Government

Local Government Committee Addresses Vacancies

This week the local government committee reported a bill to the floor to attempt to address an issue that has continued to arise in local communities and cause undue financial costs and confusion about the representation of their elected officials.

[House Study Bill 639](#) tackles the issue of vacancies for local elected officials that result in special elections to fill short term remainders. The bill would limit petitions to call for special elections for both county and city elected officials if the governing body chooses to appoint a replacement to serve a term with 6 months or less remaining. By allowing this provision to become law it creates more stability in the office that had been vacated to serve the members of that community. Special elections to fill such short vacancies traditionally see significant lower turnout and raise the expenses of the local government.

The other piece of HSB 639 creates “expected vacancies” on the ballot during general elections. There are vacancies where an elected official knows that they will be vacating the office after an upcoming election and notifying the board of supervisors or the city council in writing the date they will vacate the office. If this happens with enough time before an election, the governing body may declare that there is an “expected vacancy” and allow the position to be placed on the ballot in November to serve the remainder of the term. By creating this opportunity, a position may be filled by the electorate on election day without an unnecessarily expensive special election. HSB 639 is one of several legislative proposals that have been considered in local government to find and address ways for our counties and cities to improve how taxpayer dollars are spent.

(Contact: Jason Covey 1-3626)

Public Safety

House Republicans Advance Bill to Strengthen Iowa's Bail System

This week, Republicans on the Public Safety Committee advanced House Study Bill 641. This bill brings needed consistency, transparency, and accountability to Iowa's bail system.

Bail should be consistent across Iowa. It should reflect the seriousness of the crime. And above all, it should protect the public.

HSB 641 sets clear, statewide standards for how bail is determined. Judges must follow the bond amount listed on the warrant unless there is a compelling reason to change it. If change is made, it must be explained, in writing. This creates transparency and prevents wide differences from county to county.

The bill also limits who can be released without posting bail. Only those charged with nonviolent, non-drug misdemeanors would qualify. Those accused of violent crimes, weapons offenses, or drug-related crimes would be required to post bail before release.

For the most serious crimes, the standard bond schedule would no longer automatically apply. A judge would need to carefully evaluate the case, and the risk to the public before release.

House Republicans voted to move this bill forward because public safety comes first. HSB 641 is a practical step toward keeping our communities safer.

Democrats voted against the bill in committee and even offered an amendment to remove everything from the bill except an updated bond schedule. If House Democrats were in charge criminals would continue to be released, with no consistent standards, and many times with little to no bail.

Iowa families deserve a bail system that is consistent, transparent, and focused on safety. HSB 641 moves Iowa in that direction.

(Contact: Amanda Wille 1-5230)

State Government

Lawsuit Against Iowa's Election Integrity Actions Dropped

Leading up to the presidential election in 2024, the Secretary of State's office announced the discovery that 87 individuals who self-identified as noncitizens had voted in previous elections and an additional 67 self-identified noncitizens had registered to vote, but had not cast had a ballot. These incidents were discovered while the Secretary of State's office was conducting voter roll maintenance ahead of the November election.

Iowa and Federal law only allows US citizens to cast a ballot in a general election. Iowa law requires individuals to be US citizens to be eligible to register to vote. Before the November election, to enforce both state and federal election laws, the SOS office sent the names to precinct election officials and directed county auditors to have precinct election officials challenge the ballots of those individuals. This action led to a federal lawsuit filed by the ACLU and the League of United Latin American Citizens of Iowa (LULAC) to prevent the use of the list to challenge these potential voters' status as citizens. A federal judge denied the request and allowed the list to be used as it was found that about 250 individuals on the list were confirmed by up to date information from USCIS were not US citizens.

Today, the lawsuit brought by five individuals and LULAC challenging Iowa's 2024 election integrity efforts was dropped. The Secretary of State has been able to check its voter rolls against the database and no longer has need of the 2024 list, which has been rescinded.

In 2025, House Republicans passed [House File 954](#), now enacted into law, which addressed the issue and protects the constitutional requirement that only US citizens participate in our elections. Division IX of the bill the issue of citizenship verification is strengthened and helps ensure that the Secretary of State and county auditors in Iowa are not solely reliant on the federal government to confirm a potential voter's citizenship status. The bill provides tools and codifies policies to catch noncitizens within days of registering to vote. A status code for voter registration records designated as "unconfirmed" will ensure that ballots are not given to any potential voters who within the system has not confirmed their citizenship status. This status will apply to individuals whose citizenship status has yet to be confirmed or has informed the DOT or other state agencies that they are not US citizens. To bolster the unconfirmed status the law directs the sharing of information between state agencies and other states to ensure the most up to date information of potential individuals who have indicated to a state agency that they are not citizens. The law also expands reasons to cancel a voter's registration to include citizenship status and allows challenges of voter's qualifications to include questioning citizenship status.

Iowa House Republicans remain committed to upholding the Constitutions of both the United States and the State of Iowa. The State of Iowa is responsible for continually monitoring and evaluating its election laws to ensure that every Iowan can cast a ballot and that each vote carries equal weight under the law.

(Contact: Jason Covey 1-3626)

Transportation

DOT Commission Begins Process for Iowa Airports to Receive FY 27 Federal Funding

As part of its meeting on Tuesday, the state Transportation Commission began reviewing preapplications from Iowa airports for federal Airport Improvement Program Funds.

Airport Improvement Program (AIP) funding is available to airports that are part of the [National Plan of Integrated Airports System](#) (NPIAS). Administered by the FAA, the AIP provides funds for projects to improve infrastructure, including runways, taxiways, aprons, noise control, land purchases, navigational aids, safety and security.

Airports included in the National Plan of Integrated Airports (NPIAS) are eligible to apply for federal Airport Improvement Program (AIP) funds. Iowa has 79 commercial and general aviation airports that are eligible to receive funding through this program.

In 2025, Iowa airports received \$107.5 million of AIP funding for projects including rebuilding runways, improving runway lighting, building or expanding taxiways, terminal improvements, and other projects.

General aviation and small commercial service airports are required to submit preapplications for federal AIP funding through the Iowa Department of Transportation.

The Airport Improvement Program is funded by aviation related fees and taxes such as airline ticket taxes, segment and international travel fees, cargo fees and aircraft fuel taxes that are deposited into the Airport and Airway Trust Fund. AIP money is distributed by the FAA through formulas set by law for entitlement and discretionary grants determined by the FAA.

(Contact: Brad Trow 1-3471)

Veterans Affairs

House Veterans Affairs Advances Bills

This week, the House Veterans Affairs Committee advanced the below bills with bipartisan support. They now can be considered by the House floor or the House Appropriations Committee in the coming weeks.

- **Regent Tuition** – House File 2132 provides free tuition to the regent schools for veterans with a permanent service-connected disability rating of 100%.
- **Service Animal Training Grant** – House File 2180 establishes a \$5,000 grant program to fund service animal training for veterans. Provides a \$100,000 appropriation to establish the program.
- **Veteran Camping Discount** – House File 2214 provides a 25% discount to rentals at DNR campsites, cabins, and rental facilities.
- **Veteran License Designation** – House File 2279 allows individuals that have served in the national guard, regardless of the number of active duty service days, to receive the veteran designation on their driver’s license. Currently, the individual must have served in the national guard for at least 20 years or been deployed.

(Contact: Natalie Ginty 5-2063)

Ways & Means

Three Property Tax Bills—How are they Different?

Policy Category	House GOP (HSB 596)	Governor (HSB 563)	Senate GOP (SSB 3034)
Revenue Growth Limits	102% + new construction <i>*Exceptions for debt levy and schools</i>	102% + new construction <i>*Exceptions for debt levy and schools</i>	Indexed to CPI (102%–105%)
Homestead / Residential Relief	First \$25k of value exempt	Convert homestead credit to exemption	Phased-in exemption over 10 years (up to 50% capped at \$350k)
Targeted Tax Relief	X <i>Relief is for everyone</i>	Freeze for 65+ on homes up to \$350k	100% exemption by 2029 for 60+ (no mortgage, 0.5 acre limit) Disabled vet credit limits homestead to 1/2 acre Military property tax exemption up to \$7,000 by 2028
Bonding & Debt	60% vote required for property tax bonds	Debt service for capital/bonds only; no operations	Limit on bonding for general operations
School Funding	Holds schools harmless by exempting money for schools from budget limitation	State scoops 7.1% of SAVE money to lower additional levy (Accelerate to 30% by 2030)	Shift foundation/special ed costs from local to state Buy down 5.40 levy to 4.48662

Consolidation	Require COGs to help locals consolidate services and functions	\$10 million grant program to combine services	X
Transparency / Administrative Reform	New mailer to taxpayers with more information, better organization	Move assessments cadence from 2 to 3 years, move burden of proof to assessor Auditor, Recorder and Treasurer elections no longer required	Equalization mailings allowed to be posted on internet/socials
Businesses / Commercial / Ag Policy	X	TIF Changes: 20 year sunset, public purpose only Eliminate the Business Property Tax Credit backfill and replace with an exemption and increase exemption from \$150k to \$250k	Returns the multi-residential classification Agricultural Changes: New buildings removed from productivity valuation Transition out of rollback for residential, commercial and industrial
Local Revenue & Levy Flexibility	X	Maximum of 10% unencumbered in general fund reserves	Locals can increase Local Option Sales Tax from 1 to 1.5 Gas Tax Indexed to CPI

(Contact: Kristi Kiouss 2-5290)