IOWA HOUSE REPUBLICANS

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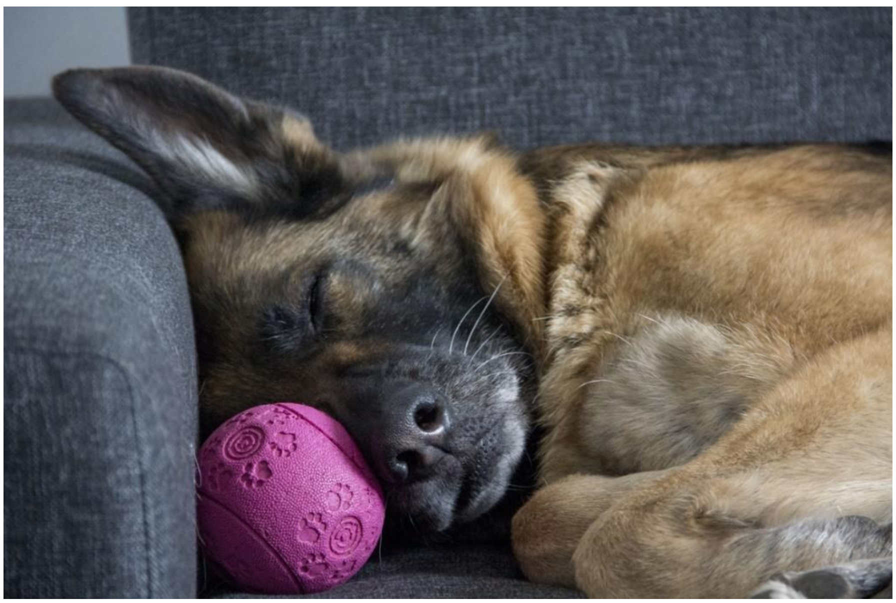
Appropriations

Audit Prompts More Questions about Iowa City School District's Finances and What the State Auditor's Office Knew about the Burgeoning Scandal



"So there's nothing our office was responsible to 'find'" says Taxpayer's Watchdog Rob Sand after Iowa City Schools released their overdue FY 2024 audit

The release of the Iowa City Community School District's Fiscal Year 2024 audit has generated several questions about the school district's fiscal management, oversight by its school board, and what did the State Auditor's office know about the situation.

The audit (conducted by Bohnsack & Frommelt LLP of East Moline, IL) - submitted 15 months after it was required by state law - found a number of issues, highlighted by the fact that district employees transferred $38 million throughout different accounts without notifying nor receiving the required approval from the district's school board. The report also noted that the district had overspent its capital and construction funds by $19.5 million during that fiscal year. It also found that the district's activity fund - which pays for extracurricular activities - was $1 million short. Additionally, the audit reported that the district had no documentation to show how the district had spent a $500,000 federal grant.

Maybe the most shocking revelation in the report was the fact that the district had little oversight of its payroll operations. This included the fact that there was no reconciliation between the district's human resources and payroll departments to ensure employee contracts had been properly entered into the district's payroll system. The audit identified five different material weaknesses, with the greatest concern over the district's lack of internal financial controls.

The audit has generated a lot of anger in Johnson County over the management of district finances, the apparent lack of oversight from the school board and questionable leadership from Superintendent Matt Degner on down.
But Iowans raised another issue - why didn't the State Auditor's office notice that there were issues with the Iowa City Schools? In typical fashion, State Auditor Sand dismissively responded on Facebook late last month:

I know you guys are from out of town like your candidate so I'll fill you in: nearly all Iowa public schools use a private auditor and have since before my time - including Iowa City, Des Moines, and Cedar Rapids. So there's nothing our office was responsible to 'find'.

Many Iowans found that response less than satisfying for someone who claims to be the taxpayer's watchdog.
These comments generated a lot of responses on Facebook, with some including screenshots of Sand's own official website which lists the Auditor's official responsibilities. The first line says, "The Auditor of State has responsibility for audits of counties, cities, school districts, and other governmental subdivisions." That corresponds with Iowa Code section 11.6, which lays out the authority and duties for these audits. The section does allow all political subdivisions to use outside auditors (which Iowa City did), who must act under the direction and authority of the Auditor of State.
In Iowa Code section 11.6, there is a provision that raises questions about these audits and Sand's office. Section 11.6 (6) requires these audits to be completed within nine months. That is a deadline that the Iowa City schools failed to meet for its FY 2023, FY 2024, and the prospective FY 2025 audits. It also gives the State Auditor the power to give extensions if certain conditions are met. It says:

An audit required by this section shall be completed within nine months following the end of the fiscal year that is subject to the audit. At the request of the governmental subdivision, the auditor of state may extend the nine-month time limitation upon a finding that the extension is necessary and not contrary to the public interest and that the failure to meet the deadline was not intentional.

Did the Iowa City Community School District submit a request to the State Auditor to allow the district to submit its audits late?

If they did submit the requests, did the State Auditor approve their request? What was the justification given for the tardiness of the reports? What was the finding of the State Auditor which is required by law to grant the extension? With what Iowans have learned about the disfunction of the district's management, a failure to seek an extension does not seem farfetched. But if that's the case, why didn't the State Auditor and his office sound the alarm due to the failure to submit the audits on time?

There have been occasions when other audits have been late and State Auditor Rob Sand has been more than happy to let everyone know they were late. In 2021, the State Auditor took Iowa State University to task when its required audit was late. He has also been quite vociferous in alerting Iowans to when the state's official audit was not completed on time.

Why has he been so quiet about the Iowa City Community School District's inability to complete this legally required task on time? He doesn't seem to have a problem pointing this out when Republicans oversee the task. Does Iowa Section 11.6 (6) not apply to Democrat-led entities?

Fiscal Year 2024 Tax Revenue Beats REC Forecast

Fiscal Year 2024 came to an end with the state seeing only a slight dip in total revenue when compared to the previous year, according to the Legislative Services Agency. For the full year, the state took in $9.565 billion in net receipts. That is a decline of just 0.7 percent when compared to Fiscal Year 2023. This exceeds the estimate of the Revenue Estimating Conference, which had predicted a 2.4 percent decline in tax receipts for FY 2024 at its March meeting.

Personal income tax – With the continued implementation of the 2022 tax cut law, personal income tax was expected to decline in Fiscal Year 2024. For the year, personal income tax collections declined by $606.1 million, or 10.8% less than FY 2023. This is a slightly larger decline than what the REC had forecast in March, when they anticipated personal income tax payments to drop by 9.9 percent for the year.

Sales and use tax – Sales and use tax collections saw a slight increase in June. For the year, sales and use tax receipts grew by $233.2 million or 5.9 percent over Fiscal Year 2022. This is almost equal to the Revenue Estimating Conference's prediction of a 6.2 percent growth for the year. The continued strength of sales and use tax payments for a fourth year reflects the solid Iowa economy.

Corporate income tax – Changes in the tax rate and filing adjustments due to the pass through entity tax has brought some fluidity to corporate income tax collections in FY 2024. The state collected $890.5 million for the year, which is $93.6 million less than FY 2023. The decline of 9.5 percent is larger than the 0.1% drop forecasted by the REC in March.

Refunds – State revenue figures would have been stronger but for a spike in tax refund payments. The total amount of refunds paid by the state through June 30 was $1.5391 billion. This is a 30.7 percent rise in refunds from the amount paid back to taxpayers in FY 2023. Some of the growth can be attributed to the pass through entity tax process, where taxpayers could pay the new tax and get previous payments of individual income tax refunded back to them.

While Iowa has reached the end of the fiscal year, the state's books on Fiscal Year 2024 do not officially close until the end of August. During this time, revenue and refunds that should be counted as part of FY 2024 will be accounted for. This may be more than normal due to the fiscal year ending on a Sunday. Even before those potential changes are factored in, it is clear that Fiscal Year 2024 was another strong year for state revenue.

Gambling and Sports Wagering Tax Revenue Concludes Strong Fiscal Year Performance

The state experienced another strong year for gaming tax revenue from the casinos and sports wagering tax in Fiscal Year 2024. The Iowa Racing and Gaming Commission released the year-end numbers on Tuesday.

Gaming Tax – The state collected $331.0 million in Fiscal Year 2024 from taxes on casinos. This is a decline of $11.0 million from FY 2023's receipts. Actual revenue did exceed the REC estimate for Fiscal Year 2024 by over $9 million. The REC's last projection for gaming tax revenue came in March, when they expected the state would collect $321.8 million.

Sports Wagering Tax – The state collected $14.34 million in Fiscal Year 2024, which is an increase of $1.4 million over FY 2023. The amount of money wagered through Iowa casinos on sporting events over the past 12 months was $2.615 billion. This is $372 million more than last year's amount. Of that total figure for the year, over $2.4 billion was wagered via apps or on the internet.

For the third straight year, the end of the fiscal year prompts a question – will state revenue from gambling stay at these elevated levels or start to decline as competition from other states grows? The REC forecast for gaming tax revenue collections to decline by $27 million in Fiscal Year 2025.

(Contact: Brad Trow 1-3471)

MidAmerican Gas Rates to Increase Rates July 17

The below information comes from press releases from the Iowa Utilities Commission and MidAmerican Energy. MidAmerican will implement temporary gas delivery rates on July 17 while the IUC reviews the permanent rate request. MidAmerican says that typical residential monthly bills would increase about $2.89 per month and remain below 2006 levels. Temporary rates are not the final rates and are subject to refund plus interest. If the final natural gas rates are lower than the temporary rates, or the temporary rates are not based upon previously established regulatory principles, MidAmerican will refund the difference to customers with interest.
Information on this rate case can be found under Docket No. RPU-2026-0001. Consumer comment meetings will be held at the following dates:

- Cedar Rapids - 6 p.m. September 8 at Hilton Garden Inn, 4640 N. River Blvd. NE
- Virtual - noon September 9. Meeting details will be available on the IUC's online Hearing and Meeting Calendar at iuc.iowa.gov.
- Des Moines - 6 p.m. September 9, Holiday Inn Des Moines – Airport Conference Center, 6111 Fleur Dr.
- Sioux City - 6 p.m. September 10, Sioux City Convention Center, 801 Fourth St.

About Consumer Comment Meetings
During consumer comment meetings, MidAmerican will provide a presentation about its rate proposal, including the requested rate increase amounts and an overview of the changes that apply to residential and other customer classes.

The meetings also will allow MidAmerican customers to express their views about the proposed rate increases and comment on the overall quality of MidAmerican's service.

Representatives of MidAmerican, the IUC, and the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, will be present at all consumer comment meetings to hear public comments and answer questions. OCA represents the general interests of customers in all IUC proceedings.

Filing Comments or Objections
Written comments and objections can be submitted by email; by mail to the Iowa Utilities Commission, Docket No. RPU-2026-0001, 1375 E. Court Ave., Des Moines, IA 50319-0069; or online by going to efs.iowa.gov and clicking "Sign Up" to create an account. Then log in and click "Submit a Comment or Objection in a Docket" to access the submission form. Fill out the submission form and enter Docket No. RPU-2026-0001 before submitting.

All comments provided at the public meetings or submitted in writing to the IUC will become part of the permanent record in the rate case docket.

Publicly filed documents for this rate case are available for review in the IUC's electronic filing system, efs.iowa.gov, under Docket No. RPU-2026-0001.

Iowa Energy Costs and Reliability
Right before the 4th of July holiday, as everyone prepared to celebrate the 250th anniversary of our nation, the New York City Mayor strongly suggests multiple times to NYC residents to turn their air conditioning up to 78 degrees amid a heat wave in the city.

Mayor Zohran Kwame Mamdani
@NYCMayor

New York: it's hot out there, and the power grid is working overtime to keep us cool.

Set your AC to 78 degrees, turn off lights/electronics you're not using, and unplug what you can.

Our City is doing its part too: maintaining the 78 degrees rule in our buildings, dimming/turning off our lights during peak electricity demand, asking private partners to do the same, and powering down non-essential equipment.

A stable grid means the AC stays on, and lives are saved. Let's ease demand — and get through the heat — together.

3:04 PM · Jul 1, 2026 · **59.9M** Views

This is not the first time a liberal leader with a no-coal energy policy has asked residents to turn up their air conditioning:

Governor Gavin Newsom
@CAgovernor

Western states are experiencing an unprecedented heatwave.

Together, we have the power to avoid outages.

➡️ Before 4pm: pre-cool your home to 70.

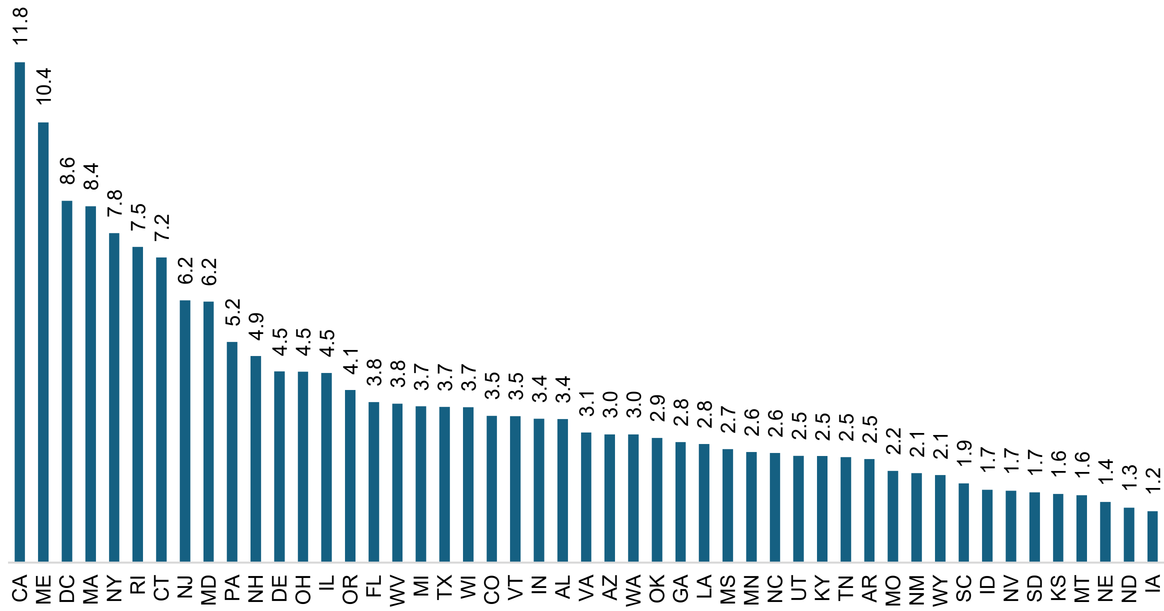
➡️ After 4pm: turn your thermostat to 78 & avoid use of big appliances.

Learn more: flexalert.org

3:36 PM · Sep 5, 2022

Luckily in Iowa, we have an all-of-the above energy policy, that leads to reliable electricity as well as affordable energy rates. A recent report was released that shows Iowa with by far the lowest change in electric retail rates in the country over the last 5 years.

Five-year change in retail rates by state: November 1, 2020-October 31, 2025 (c/kWh)



Source: United States Energy Information Administration (U.S.

The report notes that information by the minority party and media regrading “rising electric rates” is “incomplete and potentially misleading.” The report notes that a few states and regions have increased rapidly, putting upward pressure on the national average, specifically mentioning New York and California (as shown in the above chart). Not only do NYC and California have to set their AC to 78 degrees, they must pay way more to do it!

It’s important that the data discussed on electric rates reflect Iowa’s realities. Over the past 5 years, the national average retail electricity rate has increased by approximately 4 cents per kilowatt-hour. Conversely, Iowa’s average retail rate has increased by 1.2 centers per kilowatt-hour, the smallest in the nation, and well below inflation over the same period.

(Contact: Natalie Ginty 5-2063)

Economic Growth

Iowa Rural Certified Site Initiative Showing Success

Recently the Hugh and Maxine Loudon Business Park in Clarinda earned an Iowa Certified Site designation through the Iowa Economic Development Authority's (IEDA) Certified Site program, joining a growing number of Iowa communities offering development-ready locations that meet nationally recognized standards.

The 61-acre site, owned by the city of Clarinda, is located along the U.S. Highway 71 and Iowa Highway 2 bypass. The certification recognizes that the property has completed environmental and infrastructure assessments and other due diligence requirements, helping reduce risk and shorten timelines for prospective development projects. Located in southwest Iowa’s Page County, the Hugh and Maxine Loudon Business Park has benefited from investments in roads, water, sanitary sewer, storm sewer, and site access improvements.

Since launching in 2012, the Iowa Certified Site program has become one of the most comprehensive in the nation, evolving alongside industry and site selection standards. Site certification is a critical factor in today’s competitive site selection landscape, with certified locations attracting more than $2.3 billion in capital investment across Iowa.

Clarinda's certification was supported through the Iowa Rural Certified Site Initiative, a program created by Iowa House Republicans during the 2024 legislative session to help rural communities offset the costs of preparing industrial sites for certification and development. Clarinda was among the first communities selected to participate. The certification process is overseen by Quest Site Solutions, a nationally recognized site selection firm based in Greenville, South Carolina. This rigorous, third-party review provides companies with confidence that certified sites have been thoroughly vetted and are ready for investment.

(Contact: Kristi Kious 2-5290)

Fertility Rates Down In U.S. But Iowa Among States With Highest Rates

The Institute for Family Studies recently released "The Demographic Dead End: 2026 State of Fertility Report" by demographer Lyman Stone and researcher Peter Foreshaw Brookes.

The report details U.S. fertility rates back to 1917 and highlights the stark contrast between past high-fertility growth and America's current fertility trajectory.

The numbers are startling. The U.S. total fertility rate (TFR) has fallen below 1.6 children per woman (replacement level is 2.1). America has experienced two previous extended periods of low fertility after the Great Depression and between 1972-1989. The report finds if current trends continue, the U.S. population is projected to peak around 351 million in the 2050s and then decline.

An interesting finding is the gap between the desired number of children and the actual number of children Americans are having. Americans still want more children hoping for a family size of between 2.4 and 2.7 depending on various survey data. But that is not what is happening.

The question is why?

A survey of almost 4,800 Americans between ages 18-50 found peer and social influences stronger than economic ones. For example, friends matter enormously. For people under 30, those with the most supportive friends – meaning those who would help with things like childcare, meals, transportation, etc. – the numbers diverge. Those with supportive friends boost the desired number of children to 2.8 while those without a supportive friend groups desire just 1.7. The survey also found having friends with kids strongly predicts wanting more yourself.

Does it matter where you live? Turns out it does. The seven states with highest fertility rates are all Republican states: Nebraska, South Dakota, Idaho, North Dakota, Iowa, Kentucky, Utah.

The seven states with the lowest fertility rates? All Democrat states: Vermont, Rhode Island, New Hampshire, Oregon, Maine, Massachusetts, California, Illinois.

Granted New Hampshire has a Republican governor, but it has voted Democrat in seven of the last eight presidential elections.

https://www.demographyunplugged.com/p/chart-of-the-week-americas-fertility

What are the major influences? The report brings up two points.

Celebrity influence is real. Each additional child of an admired celebrity predicted 0.15 more desired children (stronger for young women). However, celebrities shape aspirations more than actual behavior. The authors of the study write, "that paying Taylor Swift a billion dollars to have children might produce more children in society than spending the same money on child tax credits, if her choice sways her wide fanbase."

City Journal's Rob Henderson analyzed the study and says economic fixes like housing or money help but aren't enough without the social and cultural impacts changing. He says reviving births requires rebuilding ordinary social structures like friendship, community support and visible family life. He also argues that the fertility rate decline is a reversible choice. It is not just about costs but eroded social fabric. Families live in different states and the friends you grew up with scatter to various places. Policy innovation isn't the only thing that is needed but a renewed cultural emphasis on the awesomeness of having children and real-world relationships.

(Contact: Jeff Mitchell, 1-5137)

Education

Department of Education Releases Guidance on Classroom Behavior Bill

Over the last few years, one thing House Republicans heard repeatedly from teachers and parents was that the behavior of some students inside classrooms has deteriorated. Sometimes to the point where teachers and/or students are physically unsafe. Teachers are being physically hurt while students are not able to learn. Over the years Republicans in the Iowa House have taken steps to address this issue, but something else was still needed. This year, SF2428, the classroom behavior bill passed. This bill ensures that federal law is being upheld when it comes to FAPE (Free Appropriate Public Education), IEPs (Individualized Education Plans), etc., while still ensuring that students are in the best learning environments. It included these things:

- Requires the Dept. of Ed. to develop training materials related to least restrictive environment.
- Codifies Risk Assessment monitoring by the Dept. of Ed. for underreporting or late reporting data on school discipline.
- Allows teachers to exclude a student from the classroom if they meet certain criteria.
- Students who are removed from the classroom cannot return until a meeting between the teacher and principal takes place.
- Districts must have an Oversight Review Committee that establishes policy for when a student should be allowed back in the classroom, as well as give recommendations for when students can be allowed back in the classroom.
- Allows teachers to appeal to the school board.
- Requires teachers to read updates to IEPs and 504 plans.
- Requires paras to be at the IEP meetings.
- Teachers may request an IEP team to meet.
- The IEP team shall discuss appropriateness of the learning environment or if modifications need to be made.
- Teachers shall be granted a leave of absence with full pay for physical injury up to 3 days and more if a doctor's note requires it.
- School district's professional learning plan shall include instruction on FAPE, IEPs, and least restrictive environment under IDEA.

Now, the Iowa Department of Education has released guidance to help schools navigate how to handle state law and federal law. This guidance can be accessed here:

https://educate.iowa.gov/media/13288/download?inline=&utm_medium=email&utm_source=govdelivery
Iowa's students, teachers, and schools will be in safer environments with this legislation. Protecting students and teachers is of utmost importance to House Republicans.
(guidance from Iowa Department of Education)

(Contact: Kristin Rozeboom 1-3015)

Health and Human Services

Legislature Prioritizes Mental Health

This general assembly the legislature has passed many bills to expand access to mental health care in the state and to remove barriers to establishing all levels of care from inpatient psychiatry to subacute to outpatient care. Mental health care plays an important role in public safety, which also received significant attention from the legislature this general assembly as well. The below bills have been signed by the Governor this general assembly:

HF 2523 – Minor Commitments - This bill removes the ability for a minor to refuse mental health or substance abuse treatment if the parent is seeking treatment for their minor and a mental health professional agrees the child is in need of care.

HF 2543 – Subacute Mental Health - This bill makes the following changes based on the subacute mental health facility interim committee:

- Removes the 10 day limit
- Requires subacute Medicaid prior authorization requests to be approved within 48 hours, 5 days or 10 days depending on the urgency of the request.
- Establishes a PMIC bed tracking system
- Requires DHHS to review the state's capability to establish subacute mental health services and additional inpatient services at Independence MHI beginning in July 2027. This review shall include costs/staffing/infrastructure, the ability to partner with private operators, and submit a report to the chairs of HHS and appropriations in both chambers by January 4, 2027. Allows DHHS to provide subacute services at Independence MHI if can be done within their appropriation.
- Requires DHHS and DIAL to review rules to remove barriers to subacute care.

HF 2782 – IMD Waiver – The FY27 HHS Budget requires DHHS to apply for a waiver of the federal IMD exclusion, allowing additional federal funds to be used for inpatient psychiatric care in Iowa. Recently, the U.S. Department of Justice has issued guidance allowing for additional state institutions for psychiatric care, and this wavier request builds on this work. Additionally, this bill requires annual reporting of state behavioral health spending. Iowa's annual spending exceeds $1.2 billion and will be discussed in the next newsletter.

HF 2507 – AI Chatbot - This bill provides for disclaimers, prohibitions on certain communications with minors, and allows parental access to minor accounts with AI. This bill also prohibits AI from providing professional behavioral health services and must have protocols in place when a user discusses self-harm. This bill includes enforcement mechanisms and penalties with the attorney general.
SF 474 - High Acuity Youth - This bill came from the Department of Health and Human Services to do the following:

- Allow for protective locked environments
- Allows for a residential facility to not be licensed as a children's residential facility if it provides live-in care to waiver individuals 16 years of age and older.
- Transfers administrative authority of juvenile court services from the chief judges to the JCS director
- Suspends hawk-i coverage for incarcerated youth

- Creates a workgroup to review Iowa's commitment, juvenile delinquency and CINA laws during the legislative interim and to make recommendations to the legislature

HF 2635 - Community Mental Health Facilities - This bill makes many changes related to prior authorizations for health insurance, which will be helpful to mental health providers. Additionally, this bill removes the requirement for a certificate of need to be obtained for a community mental health center which will help new mental health facilities be established without additional barriers.

HF 2256 –Child Abuse and Mental Health Treatment - This bill revises the definition of "child abuse" to make clear that a parent that has exhausted all mental health treatment options has not committed child abuse for lack of treatment.

It should be noted, that not all bills that affect Iowans mental health are above. House File 2676, the Iowa Make American Healthy Again bill, is a great example of improving mental health care of Iowa's children by reducing screen-time in schools and ensuring additional physical activity which improves behaviors.

Another example is Senate File 615 on Medicaid expansion work requirements for able-bodied adults. There is dignity that comes from work and accomplishing something that helps your overall self-esteem as well as having a community of support, rather than isolation.

Legislature Ensures Parents Have Access to Child's Health Care

Over the last few years, the legislature has prioritized ensuring that parents have access to their child's health care information and also have the ability to make important decisions regarding the care their child receives.

- **Parent Access to Minor Health Records** – In 2024, the Governor signed Senate File 477 which required parents to have access to the health care records of their minor children unless the minor has the legal ability to consent to the health care service or prohibited by state or federal law. Prior to this bill, the legislature would often hear complaints from constituents saying that once their child turned 13, health care providers would remove their access to their own minor child's electronic health care records. This bill ensured that if EHR access was not provided, that the parent would get physical copies of their health records at no charge.

- **Parental Consent Mental Health Commitments –** This year, the Governor signed House File 2523, which removed the ability for a minor to refuse mental health treatment if the parent is seeking voluntary treatment for their minor. Oddly, prior to this bill, the law allowed a suicidal minor to refuse psychiatric care even if their parents and mental health provider agree they are in need of treatment. The majority of House Democrats voted against this bill.

- **Parental Consent Vaccines** – This year, the Governor signed Senate File 304. Iowa code allows for minors to consent to very few medical treatments without parental consent. One of those is for the prevention, diagnosis and treatment of sexually transmitted diseases. This code section has been construed to include the ability for a minor to consent to the Hepatitis B vaccine and the HPV vaccine. All other vaccines, including those for whooping cough, measles, mumps, pneumococcal, require parental consent, just like 99% of health care services. Senate File 304 simply removed the ability for a 9 year-old to consent to the HPV vaccine without their parent being involved in the discussion. Strangely, all House Democrats opposed this bill.

(Contact: Natalie Ginty 5-2063)

Labor

Iowans' Unemployment Benefits Increased Starting July 5

Iowa Workforce Development, as part of its required annual review of unemployment insurance (UI) wages, announced that the maximum weekly benefit for unemployed Iowans will increase effective the benefit week of July 5, 2026.

Per Iowa law, IWD uses a formula each year to determine the maximum and minimum benefit amounts, taking into account the number of Iowans covered by unemployment insurance and their gross wages.

This year's review has determined that the maximum weekly benefit for unemployed Iowans will increase to **$790 in Fiscal Year 2027, up from $763 in FY2026.** The new amounts apply to **new claims with an effective date of July 5, 2026, or later.** The full table of benefit rates for FY2027 is below.

The annual review undertaken by IWD also recalculates the state's taxable wage base, or the portion of employee wages that employers are required to pay taxes on to fund unemployment insurance (UI). Last year, Governor Reynolds **signed legislation** that simplified the state's UI tax tables and significantly decreased the maximum rates that Iowa employers paid on UI taxes. The taxable wage base for Calendar Year 2027 will be $21,100, up slightly from CY 2026 but down from $39,500 in CY 2025.

Iowa's average annual wage is also recalculated by Iowa Workforce Development every year at this time as part of determining the above numbers. The average annual wage in 2025 was $63,213.58.
(Info from Iowa Workforce Development)

(Contact: Kristin Rozeboom 1-3015)

Local Government

Fighting Taxpayer Waste by Protecting Freedom of Information

July marks the beginning of a new fiscal year for the state and when many laws passed go into effect. The 2026 legislative session saw several notable bills from the Local Government Committee enacted and are now in effect.

This year the committee took a look at areas where waste could be fought, efficiencies found, and limiting the creep of government overreach. House File 2490, now law in Iowa,
increases transparency around how and why government employees leave their positions. Across Iowa there have been high profile cases of public employees receiving large settlements following leaving their position and very few details about the situation. Taxpayers, who are on the hook for such costly settlements, have a right to access information about how those institutions are managed and how employees are held accountable.

Trust in government depends on openness. When information is accessible, it reinforces confidence that decisions are being made fairly and responsibly.

(Contact: Jason Covey 1-3626)

Public Safety

Protecting Iowa Children From Online Predators

A generation ago, parents worried about what their children might see at the movie theater or on a magazine rack. Today, a child with a smartphone and an internet connection can access obscene material in seconds. Technology has changed dramatically, and Iowa's laws must keep up.

Research shows children are exposed to online pornography long before they reach adulthood, often unintentionally through social media, pop-up advertisements, or internet searches. Repeated exposure to explicit material at a young age has been connected with unhealthy attitudes toward relationships, distorted views of sexuality, and other negative developmental outcomes. While no law can replace active parenting, government has a legitimate role in ensuring businesses that profit from adult content take reasonable steps to keep it away from minors.

That's exactly what House File 864 does. The new law requires websites and apps where a substantial portion of content, 33% or more, is harmful to minors to verify that users are at least 18 before granting access. That includes segments of social media platforms. Businesses already verify age before selling alcohol, tobacco, and other adult-only products. Websites that profit from obscene material should be expected to meet the same standard.

HF 864 also has safeguards to protect privacy. Websites and third-party age verification providers cannot retain or share personal identifying information collected solely for age verification. These websites must also use reasonable measures to protect any information collected during the verification process.

The new law should face no substantial legal challenges. Earlier this year, the United States Supreme Court upheld a similar Texas age-verification law, recognizing that states have a legitimate interest in protecting children from harmful online content. Iowa joins a growing number of states taking reasonable steps to ensure minors cannot easily access obscene material online.

Parents work hard to protect their children and they shouldn't have to compete alone against billion-dollar websites that make explicit material available with few meaningful safeguards. Iowa families deserve laws that protect children from obscene materials.

(Contact: Amanda Wille 1-5230)

State Government

New Laws Enacted to Increase Professional and Employment Opportunities

House Republicans in the State Government Committee worked this year to find areas to improve employment and professional opportunities for Iowans. Two pieces of legislation to provide more freedom and remove unnecessary licensure barriers for professionals to work in Iowa or to live in Iowa and practice in border states are as of July 1st law in Iowa.

House File 2498, improves access to specialized healthcare by making it easier for podiatrists to practice across state lines. Iowa will join the Interstate Podiatric Medical Licensure Compact, an agreement among participating states that will allow licensed podiatrists to work in multiple states without needing to obtain a separate license in each one. Instead, providers who meet a shared set of standards can apply for compact privileges, streamlining what has traditionally been a time-consuming and repetitive licensing process. At the same time, the bill maintains important safeguards. Each participating state, including Iowa, will still retain the authority to regulate and discipline providers practicing within its borders. This ensures that while access is expanded, accountability and professional standards are not compromised. The compact also establishes uniform eligibility requirements, meaning that only qualified providers can participate. HF 2498 will address gaps in access to care, particularly in rural and underserved areas of Iowa where specialists can be harder to find. Allowing out-of-state podiatrists from other compact states to practice in Iowa and vice versa simplifies the process for podiatrists to practice across state lines. The compact will go into effect once four states enact the legislation. Iowa is now the second state to do so (Maryland has enacted it) and will participate in the rulemaking of the compact.

As with podiatrists, Senate File 2139, is a licensure compact for athletic trainers. Similar to the podiatrists licensure compact, this new law will allow more freedom to practice across state lines while providing safeguards for Iowa to regulate and discipline practitioners. Iowa became the seventh state to enact the compact, which enables the enactment of the interstate compact. States that have already enacted the athletic trainer compact include South Dakota, Nebraska, and Kansas.

(Contact: Jason Covey 1-3626)

Transportation

Vehicle Fees - How Does Iowa Compare with Some Neighboring States

A number of members have recently been asked by constituents why Iowa's vehicle registration fees are higher than neighboring states like Illinois and Wisconsin. This is a valid question, since paying your car registration fees is one of life's annual annoyances. But this is just one of the fees people pay when they buy and drive their vehicles. How the other fees compare to our neighbors varies significantly.

Annual registration fees in Iowa are based on the MSRP value of the vehicle at the time of purchase. Iowa's fee charges one percent of that value plus 40 cents per every 100 pounds the vehicle weighs. After seven years, this fee starts to decline. Cars 12 years old and older have a flat registration fee of $25.

How does this compare to other states?

In Illinois, the annual registration fee to the state is a flat fee of $151. Depending on where you live, you may have to pay more as some local governments assess their own fee. These can range up to between $90 and $150, which Chicago charges.

Minnesota just changed the amount of their annual car tab fees. The amount is based on 1.2875 percent of the vehicle's MSRP at the time of purchase. This amount was reduced during the latest legislative session from 1.55 percent of MSRP. Like Illinois, county governments in Minnesota are allowed to add on their own registration fee. But this is limited to a maximum of $20 per vehicle.

Nebraska has an annual car registration base fee of $15, which makes it sound very cheap. But then comes what is known as the motor vehicle tax, which is based on the MSRP at the time of purchase. The state has a chart that lays out the fees, which start out much higher than Iowa's. If you bought a 2026 Honda CRV-EX (valued at $37,000) your registration fee in Iowa would be $384.40. In Nebraska, it would be $635. The Cornhusker state also allows local governments to charge a local wheelage tax. This could add anywhere from $20 to over $100, based on where you lived.

Wisconsin does have a lower fee. It charges an annual registration fee $85, no matter what type of vehicle you drive. They do allow local governments to assess additional fees, and those vary. In some areas, both the city and the county charge their own fees. And some types of vehicles get assessed a special fee for the type of engine they have.
The annual registration fee is just one of the fees that vehicle owners must pay. When you look at these other fees, the cost to own and operate a vehicle in Iowa seems a bit more reasonable.

Take the fee for purchasing a new vehicle. All of these states charge a one-time new registration fee, which is based on the purchase price after taking out any trade-in value. For Iowa, that fee is five percent of that amount, equal to the state sales tax rate without SAVE or any other local optional sales tax assessed. This makes Iowa an outlier, because the other four states do assess the local sales tax as well. In Illinois, the new vehicle tax can range from 6.25 percent to 9.5% in Chicago. In Minnesota, it goes from 6.875 percent to 8.875 percent in the some parts of the Twin Cities. Nebraska ranges from 5.5 percent to 7.25 percent in Lincoln. And Wisconsin starts at 5 percent like Iowa, but varies across the state and is as high as 7.9 percent in Milwaukee county.

What about title fees? In Iowa, you pay $35 for a car title plus $20 to process that. In Illinois, the title fee is $165. Wisconsin raised their title fees in 2025 to $214.50 plus $10 for processing. Minnesota and Nebraska have lower title fees, which Minnesota's at $8.25 plus $13 for processing and Nebraska at $10.

How does the gas tax compare? This is the fee that drivers pay most frequently, and there are some differences here too. Iowa's gas tax is 30 cents per gallon of regular gas. Higher ethanol content lowers the gas tax to 28 cents per gallon, while diesel fuel is taxed at 32.5 cents.

Nebraska's gas tax rate is 31.8 cents per gallon. This rate is adjusted every six months, and has three components to the calculation. In Wisconsin, the gas tax is $30.9 cents but they also have a 2 cent petroleum inspection fee as well. Since 2006, the state has not had a mechanism to automatically adjust the fuel tax based on inflation. Minnesota's gas tax totals 32.6 cents per gallon. Why is this a total amount? Because the base gas tax is 29.1 cents with an additional 3.5 cents tacked on as a debt service surcharge to pay for bonding costs that covered state highway construction.

Then there is the state of Illinois. Currently, the state gas tax is set at 48.3 cents per gallon which is the second highest rate in the nation. That figure is before local governments assess their own gas tax, ranging from 3 to 8 cents depending where you are in the Chicago metro area. To add insult to injury, the state of Illinois also assesses its 6.25 percent sales tax on gas purchases.

When you factor together all these fees, what Iowa charges comes out to be a better deal for drivers than what many of their neighbors experience.

(Contact: Brad Trow 1-3471)

Veterans Affairs

Iowa National Guard to Assist with America 250

The following was provided by the Governor's office:

Approximately 120 Iowa National Guard Soldiers will deploy to Washington, D.C., this July to support public safety, infrastructure, and preparations for the upcoming America250 celebrations.

Operating under Title 32, 502(f) status during the six-month mobilization, Iowa Soldiers will work alongside the District of Columbia National Guard and personnel from across the country to ensure a secure, welcoming environment for the millions of visitors expected in the nation's capital during the 250th anniversary of the United States.

The deployment highlights the National Guard's unique ability to rapidly integrate with local, state, and federal partners for large-scale national events. Iowa personnel will support agencies including the U.S. Park Police, the Metropolitan Police Department, and the U.S. Marshals Service. Primary duties will include security support, traffic and crowd management, logistics, communications, and transportation assistance.

"This mission reflects the continued professionalism, readiness, and versatility of the Iowa National Guard," said Governor Kim Reynolds. "Whether supporting communities here at home, responding overseas, or assisting in our nation's capital during a historic milestone for our country, Iowa's Soldiers and Airmen continue to answer the call with excellence."

"This is an opportunity for Iowa Soldiers to support a mission of national significance during the lead-up to America250 celebrations," said Maj. Gen. Stephen Osborn, Adjutant General of the Iowa National Guard. "Our Soldiers are trained, prepared, and proud to represent the State of Iowa while supporting operations that help ensure the nation's capital remains safe, organized, and ready to welcome Americans from across the country."

Additional details regarding unit identification, deployment timelines, and sendoff opportunities will be announced at a later date.

According to Radio Iowa, the deployment begins July 10th and will last about 6 months.

(Contact: Natalie Ginty 5-2063

Ways & Means

Property Tax Reform & School Funding

This newsletter series continues to examine the 75-page property tax reform bill passed as Senate File 2472 during the 2026 legislative session. This installment will cover Division V—where the bill buys down the $5.40 school levy for dollar-for-dollar property tax relief. Additionally, this article will cover the changes in the SAVE distributions to schools for infrastructure and to property tax relief contained in Division VI.

Division V—School Taxes
This division requires school districts to levy $5.40 for the school general fund before July 1, 2028, which is the current school foundation levy rate. The rate decreases to $5.10 from July 1, 2028, through June 30, 2029, and to $4.90 beginning July 1, 2029. This delivers immediate and substantial property tax relief to all property owners because it is a tax that everyone pays. The school districts will not simply have a hole to fill—it is made up for in another part of the budgeting process—just not with property taxes.

Division VI—Secure an Advanced Vision for Education Fund—Equity Transfer Percentage—Future Repeal
This division starts with the extension of the SAVE to 2071. It was set to expire in 2051. This means that school districts will have a guaranteed revenue stream for infrastructure for decades.

The property tax relief part of Division VI comes with the reconfiguring of the current transfer of SAVE revenue to the property tax equity and relief fund and replaces it with the schedule below, increasing the share of SAVE revenue directed to property tax relief.
The SAVE transfer increases from a projected 7.1 percent in FY 2027 to:
- FY 2026-27: 12.5 percent
- FY2027-28 15%
- FY2028-29 17.5%
- FY2029-30 22.5%
- FY2031-31 and thereafter 25%

What is the property tax equity and relief fund? Iowa's Property Tax Equity and Relief (PTER) fund is a state-controlled account under the Iowa Department of Management that uses SAVE distributions to lower local school property taxes. It primarily achieves this by funding property tax replacement payments and equalizing the additional school levies across the state. This subsidizes the "additional levy" portion of school property taxes, lowering tax burdens for homeowners while the state reimburses the districts through the PTER fund.

(Contact: Kristi Kious 2-5290)