



“Be sure you put your feet in the right place, then stand firm.” - Abraham Lincoln

Thursday March 9, 2017

www.IowaHouseRepublicans.com

House Republican Talking Points

2017-18 House Republican Budget Principles

House Republicans are committed to these principles to produce a balanced and sustainable state budget:

1. We will spend less than the state collects;
2. We will not use one-time money to fund on-going needs;
3. We will not balance the budget by intentionally underfunding programs; and

We will return unused tax dollars to State Budget Outlook

According to the monthly revenue memo from the non-partisan Legislative Services Agency and a subsequent video memo, the previous revenue estimate predicted overall revenue growth for FY 18 at \$213 million. But current revenue numbers show revenue growth at \$8 million. It seems highly unlikely the current revenue estimates will be met.

The Revenue Estimating Conference will meet on March 14 to give the Legislature a new revenue estimate. If that estimate is below the December estimate, then the March estimate must be used.

Local School Budgeting Flexibility

House Republicans are committed to providing flexibility to locally elected school boards by loosening funding restrictions and allowing for more local decision making. Several school districts have a significant amount of funds sitting in accounts that go unused because they are limited to specific purposes.

No school district is the same, and they each face their own unique challenges and opportunities. We should loosen funding strings and allow schools to spend some of these funds in the way that meets students' needs and fits their individual districts best.

HSB 178 loosens restrictions regarding This bill makes changes to a number of funds, including Professional Development funding, At-risk and Dropout fund-

ing, Preschool funding, PPEL (Physical Plant and Equipment Levy) funding, and Talented and Gifted (TAG) funding, by adding additional allowable expenses that are meant to help the funding further the goals of the program.

HF 446 creates a new “Flexibility Fund.” School district funds have narrow parameters that prohibit certain funding streams from being utilized fully. As a result, school districts accumulate unused funds that grow year after year. There are currently over 74 identified sources of funding that school districts statewide have leftover funds in to the tune of over \$146 million in FY 2015 (a \$17.5 million increase over FY 2014). Much of this funding cannot be touched or used.

HF 446 collects some of this funding and creates additional spending authority for districts to use those funds in a broader fashion, but still in the direction of the original source of the funding.

Election Integrity

Voter ID laws differ from state to state, and are classified into two groups: strict and non-strict. Iowa's current Voter ID laws are considered non strict; meaning that some voters without acceptable identification have an option to cast a ballot that will be counted without further action on the part of the voter.

A recent Des Moines Register poll finds that 69% of Iowans believe that a government-issued ID should be presented in order to vote.

HF 516 requires all voters to present government-issued identification at their polling location. Acceptable forms of ID include:

- An Iowa Driver's License
- An Iowa Non-operator ID
- A United State Passport

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- A Veteran or Military ID
- A Voter Identification issued by the Secretary of State

HF 516 provides eligible voters with a free Voter Identification Card if they cannot afford another form of identification.

HF 516 implements the use of E-poll Books to modernize and speed up the voting process at polling locations

HF 516 eliminates straight-ticket voting from Iowa ballots. Iowa is one of only 9 states that allow straight ticket voting.

Voter verification measures are already law in 34 other states.

Tax Credits

Many tax credits are eligible to be redeemed over several years and, in some cases, can also be transferrable – leading to difficulties in accurate predictions for the amount to be redeemed in any one year.

Changing the amount of credits that could be issued in FY 17 would almost have no impact since the state accounts for these credits in the budget once they are claimed – not when issued.

Moving forward, House Republicans are interested in looking at the effectiveness of our current list of tax credits. The three largest tax credits in terms of revenue impact on the FY 18 budget are the Earned Income Tax Credit (\$71.8 million), the Research Activities Tax Credit (\$69.4 million) and the Historic Preservation and Cultural and Entertainment District Tax Credit (\$56.1 million). Not far behind is the High Quality Jobs Program at \$51.3 million and the Iowa Industrial New Job Training Program or 260E Program at \$43.8 million.

It is time to do things differently. The election in November sent a pretty clear message about that. Reexamining our tax credits and exemptions from a global perspective is overdue.

A review of government spending was done as the Legislature cut \$117 million out of the current year's budget. It was determined that we could not achieve any savings through tax credits in the current year. But it is possible to achieve savings in the FY 18 budget that is under development.

It is irresponsible not to reexamine every-

thing taxpayer dollars are paying for and look for a better deal for taxpayers.

The Joint Meeting of the House Appropriations Committee and Ways & Means Committee on Wednesday is the first step. Information, in a global sense, needs to be available to everybody in regards to the state's commitments on tax credits and exemptions.

Please don't misunderstand our goals – Republicans are NOT interested in increasing overall government spending. We ARE interested in reevaluating WHAT and WHERE we are spending taxpayer dollars and get a better deal for the hardworking taxpayers of Iowa.

One of the goals is a better, fairer and lower tax system. We can't get there without a reevaluation of the current system.

2nd Amendment Protections

Youth handgun use: Allows a parent to teach their children handgun safety

Permitting changes: A permit to carry will only require a training class once, rather than every five years as required under current law. Changes the annual permit to purchase to a five year permit.

State of emergency: Prevents the government from confiscating weapons in times of an emergency thereby allowing Iowans to maintain the safety and protection of themselves and their families.

Permit privacy: Keeps the personal information of weapons permit holders confidential.

Stand Your Ground: Allows Iowans to defend themselves in the event of danger and removes the duty to retreat. The bill also includes civil immunity to protect Iowans from costly litigation.

Preemption: Clarifies current state law that no city, county, or township holds the authority to limit the use or possession of firearms.

Statewide Commerce and Local Government Pre-emption

HF 295 establishes several preemptive measures for city and county governments. It prevents cities and counties from: establishing a minimum wage or other employment benefits that differs from the state or federal government; banning consumer merchandise or containers used for trans-

porting the merchandise.

Worker's Compensation Reform

Benefits owed to legitimately injured workers need to be safeguarded.

Prevention of future injuries is a key goal of these reforms.

Law-abiding workers who follow the rules need to be protected from those who recklessly come to work impaired by alcohol, marijuana or through prescription drug abuse.

There's a case to be made that workers' compensation needs to be reformed to help workers get on with their lives and back to work, not force them into the court room.

Worker's compensation is supposed to be a system to help replace an injured worker's weekly paycheck while that employee is working to get back to full health - when possible - and return to work.

Iowa's workers compensation system was originally designed to provide benefits to injured workers without the need to hire an attorney. The system should be simpler so an injured employee knows exactly what kind of benefits they can rely upon.

Costs need to be reduced for workers and employers.

The fairness and stability of Iowa's worker's compensation system needs to remain intact.

Workers and employers need certainty, stability and predictability regarding any injury a worker may sustain.

Iowa's workers compensation system is easily exploited by people who want to game the system; such as greedy attorneys and doctors taking advantage of injured workers. The system is meant to provide a safety net to workers injured or disabled at work, not provide generous payouts to those who want to exploit the generous nature of our system.

Employers need to have an incentive built into the system to hire new or keep employees with disabilities that impact their work.

Iowa's worker's compensation system was never meant to put an injured worker in a better financial situation than they had prior to the injury

Appropriations

(Contact Brad Trow at 1-3471)

House Republicans Tackle Tax Credits in Unprecedented Joint Appropriations – Ways & Means Meeting

Wednesday morning's joint meeting of the House Appropriations Committee and the House Ways and Means Committee focused on a hot topic in the Capitol and across the state – tax credits. The two committees heard from the non-partisan Legislative Services Agency covering how the tax credits work and how they impact the state's balance sheet.

One area of misconception that many Iowans – including legislators - have about tax credits is that once they are passed by the Legislature, the credit immediately lowers state revenue. That's not how it works. Instead of accounting for those funds in the year the credit is awarded, the fiscal impact occurs when a taxpayer redeems the credit. This means it can be several years before a tax credit award is accounted for on the state's balance sheet. Also, some credits require a certain condition to occur before they can be paid out. Among these would be the wind energy credits, which require a turbine to be in use before the owner can collect the credit.

A number of credits are refundable, meaning that a person eligible for the credit

“can get a refund from the state that is larger than what they owed in taxes.”

The fact that a taxpayer could get a refund larger than what they owed is a concern to some in the state. Among the credits that are refundable are the Earned Income Tax Credit for lower-income individuals and the Research Activities Tax Credit for businesses.

Some tax credits are transferrable, meaning the person who is awarded the credit can turn around and transfer or sell the credit to another taxpayer. One credit where this practice is common is the Historic Preservation and Cultural and Entertainment District Tax Credit, where developers sell the credits in order to generate capital necessary to fund their project.

The cap on the Iowa Economic Development Authority's tax credit program is \$155 million in FY 2017. For the two previous years, the amount of tax credits handed out by IEDA was less than what they were allowed to distribute. LSA believes that IEDA will also not reach its cap for this year.

With regards to any changes to the IEDA tax credit cap, Legislative Services Agency said that there would be a significant amount of time before the impact of that change would be seen on the state's balance sheet. This is due to the amount of time it takes for a company to receive the credit and the amount of years they have to redeem it.

Over \$80 million of state school aid funding is used to cover the property tax owed for a variety of tax exempt properties. The largest amount in this is \$58.5 million which goes for properties in Tax Increment Financing (TIF) districts.

The state will make \$74.2 million in direct payments from General Fund Revenue. The largest amounts in this category are payments to Flood Mitigation Districts of \$31.2 million and funding for operations of the Department of Revenue and its Tax Gap project of \$30 million.

The meeting helped to kick start a conversation about both the income tax credits, which are accounted for outside the General Fund, and the property tax credits which are funded by standing appropriations. Reviewing these items will be part of the larger discussion on the state budget for Fiscal Year 2018.

February Revenue Figures Paint Ominous Picture

The state's revenue figures for the month of February provides a confusing and concerning view on how tax dollars are flowing into the state. While the Legislative Services Agency revenue memo found the state ended the month with growth, it doesn't tell the full story.

For the month, the memo states that February saw a revenue increase of 7 percent over February 2016. And for the first eight months of the fiscal year, revenue increased 1.9 percent. This amounts to an increase of \$88.3 million, which is \$125 million below the REC forecast of 4.7 percent revenue growth.

For personal income tax, collections were down \$20.2 million when compared to last February. This number is somewhat misleading, because a substantial portion of revenue that was collected last year was instead received by the state on March 1 this year. For the fiscal year, the REC forecast was for 5.8 percent growth in personal income tax collections. Actual collections through February had grown by just 0.5 percent.

Sales tax collections were also down, showing a decline of 18.3 percent over last February. Again, the calendar had an impact on this figure. The January 2016 sales tax

deposit did not occur until February, making this year's figure look considerably worse than what it is. So far in Fiscal Year 2017, sales tax collections are down 1.1 percent. The REC's December forecast called for sales tax growth of 1.9 percent.

Corporate income tax for the month was down \$1.4 million. FY 2017 corporate tax collections are down 1 percent, just off the REC's projection of 2.1 percent growth for the year.

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Another area of confusion is the dramatic fall in the amount of tax refunds that have been paid out by the state. For the month, refunds were down \$122.6 million when compared to February 2016. Why this amount is one-third the normal figure is hard to pin down. Normally, the state would have started paying out personal income tax refunds in February. But it appears that those refunds to early filers have yet to go out. It is believed that the lack of timely refunds may be due to the federal government's efforts to improve identity verification and prevent income tax identity theft. Regardless of the cause, the lack of refund payments has also skewed the February revenue figure.

Earlier this week, LSA released the video

version of the monthly revenue memo. This provided additional data and context. Personal Income and sales tax collections were down for the month partially due to \$45 million of revenue that normally would have been deposited in February. Again, the way February's calendar fell played a role.

When factoring this revenue into the February numbers and assuming that the refunds that have yet to be paid will actually go out, LSA made a troubling finding. These factors would mean that

“state revenue for Fiscal Year 2017 has, so far, grown by just \$8 million.”

That is significantly less than the \$213 million growth that the state would expect to have received if revenue was meeting the REC projection of 4.7 percent.

What does this mean going into the March Revenue Estimating Conference meeting next Tuesday? It is likely that the three-member panel will significantly reduce the expected revenue growth for Fiscal Year 2017 and that will also lower the available new revenue for Fiscal Year 2018. How much of a reduction is unknown, but anyone holding out hope for better numbers or just maintaining the December forecast is likely to be disappointed.

Agriculture

(Contact Lew Olson at 1-3096)

House Gives Final Approval to Electrical Inspection on Farms Bill

On Wednesday, March 8, 2017, the House gave final legislative consideration to Senate File 357 and passed the measure by on a bipartisan 65-aye to 34-nay vote. This action followed earlier consideration by the Iowa Senate that approved the bill on March 6, 2017, by a 36-aye to 14-nay vote with all votes in opposition coming from urban Senate Democrats. SF 357 proposes to Codify a Carroll County District Court decision in January of 2013 that decided a state regulatory board had exceeded its authority when it required electrical inspections at farm facilities. The ruling corroborated an objection to this Administrative rule that Governor Branstad had filed nearly a year earlier on January 23, 2012, and instructed a new policy consistent with this determination effective July 1, 2012. Carroll

County District Judge William Ostlund opined that the state's Electrical Examining Board reached an "illogical" conclusion and went beyond the legislative intent of a vaguely written statute by including farm structures within the definition of commercial and industrial enterprises that are subject to state permitting and inspection regulations.

The bill clarifies the Code language by creating several new definition of 'Commercial' that are explicitly clear that the terms do not include use, installation, structures, or premises associated with: a 'Farm' or 'Industrial installations'(section 1 of the bill). Industrial installation is already defined in existing Code 103.1.9.

SF 357/HF 443 further amends existing Code concerning inapplicability of Ch. 103.15.7 concerning electrical work on a person's own residence by removing the confusing wording in that subsection regarding farm property that is not commercial or industrial installations (section 2) and adding a new subsection 103.22.15 (section 3) that explicitly adds as a chapter inapplicability a person performing any electrical installation work on a farm if such a person is an owner, operator, manager or relative of an owner as long as such a structure is not regularly open to the public as a place of business for the retail sale of goods, wares, services or merchandise.

IDALS Announces Funds Available for Conservation Research & Demonstration Projects

On Tuesday, March 7, 2017, the Iowa Department of Agriculture and Land Stewardship issued a press release in which Iowa Secretary of Agriculture Bill Northey announced the State Soil Conservation Committee Research and Demonstration Fund has assistance available for research, education or demonstration projects focused on reducing nonpoint pollution. Funds are available to collaborative teams of scientists, farmers, institutions, soil and water conservation districts and educators. Applications must be submitted to the State Soil

Conservation Committee by May 19, 2017. A July 1st start date for selected projects is anticipated.

Successful projects should be focused on sustaining and improving environmental quality or the natural resource base on which agriculture depends. Applications should also explain how the projects would enhance the quality of life for farmers, rural communities, and society as a whole. Expected outcomes for the project and how they will assist in working toward these ob-

jectives, how project outcomes will be evaluated, and the impact of projects should all be clearly explained in the application. Funding level for the grant program is established by the State Soil Conservation Committee and it is anticipated that \$150,000 will be available this year. Individual grants cannot exceed \$50,000 total over a three year period. More information about applying for assistance can be found at www.iowaAgriculture.gov

IDALS Grants Available to Help Promote Specialty Crops

On March 3, 2017, the Iowa Department of agriculture and Land Stewardship (IDALS) issued a press release in which Iowa Secretary of Agriculture Bill Northey reminded Iowans that IDALS is accepting applications for grant funding through the Specialty Crop Block Grant program. The grants are available to support projects that enhance the competitiveness of specialty crops grown in

Iowa. The Iowa Specialty Crop Block Grant Program has been allocated \$282,032.76 for 2017 from the USDA Agricultural Marketing Service that administers the

Program. Grant funds shall be used for projects that benefit the specialty crop industry as a whole and will not be awarded for projects that directly benefit a particular

product or provide a profit to a single organization, institution, or individual.

For more information visit the IDALS Specialty Crop Block Grant program at the Department's web site at [www.IowaAgriculture.gov/Horticulture and FarmersMarkets/specialtyCropGrant.asp](http://www.IowaAgriculture.gov/HorticultureandFarmersMarkets/specialtyCropGrant.asp).

Commerce

(Contact Brittany Telk at 1-3452)

Worker's Compensation: Back to Basics and HF 518

The House Commerce Committee passed out House File 518, which relates to workers' compensation in Iowa, and earlier this week held a public hearing on the issue. The public hearing consisted of a healthy mix of those in favor and against the bill, with many issues raised and refuted, but one theme remained consistent - those who spoke at the public hearing had a deep understanding of a very complex system.

Workers compensation is entirely a creature of statute. The legislature enacted the workers' compensation statute primarily for the benefit of the worker and the workers' dependents. *Cedar Rapids Cmty. Sch. V. Cady*, 278 N.W.2d 298, 299 (Iowa 1979). It is the exclusive remedy for employees in the workplace, and requires most employers to provide benefits to eligible employees who have injuries arising out of and in the course of employment. The system was set-up as a quick pro quo bargain made between employees and employers almost 100 years ago

"to ensure no litigation in exchange for swift payment."

. Workers compensation provides appropriate medical care with the intent of allowing workers to return to work. Depending on the severity of the injury, workers compensation also provides meaningful indemnity; it is the safety net of employment. The system was established so employees would have a certain and easy process to follow in case of a work injury. It was established to specifically stay out of the courtroom, to avoid all of the complications, legal fees and litigation associated with adjudication. Employers enjoy benefits from workers' compensation, as well, as the specified and clearly defined system limits litigation (tort relief) and helps with limiting overall business costs.

In Iowa, the Workers' Compensation Commissioner is the head of the Iowa Division of

Workers' Compensation which is housed within Iowa Workforce Development. The Iowa Division of Workers' Compensation has the responsibility of administering, regulating and enforcing the workers' compensation laws. The office maintains files on all workers' compensation claims reported to the agency. This office cannot represent the interests of any party, it can provide information regarding the Workers' Compensation Act, the rights of the parties and the procedures the parties can follow to resolve their disputes. More to this fact, however, the Supreme Court has given great deference and authority to the Workers' Compensation Commissioner and his or her decisions, in addition to giving great deference in favor of the injured workers.

So how does the system work?

As mentioned, employers must carry workers' compensation insurance in some capacity to cover an employee's injury. If an employee is injured at work, he must notify his employer of the injury within 90 days and the employer must then electronically file a "First Report of Injury" to the Workers' Compensation Commissioner within 4 days, and with the insurer so the employee's claim can receive proper consideration. The employer's insurance provider processes the claim to make a determination as to whether or not the claim is eligible for workers' compensation payouts, and either denies the claim or begins making the appropriate payments. Should there be a dispute, an employee may file a claim in the Workers' Compensation, and follow the administrative process outlined in code. A deputy commissioner is the first person to oversee a contested case, and once a determination has been made and there are further contestations, either party can file an appeal to the commissioner. Once a commissioner has ruled, there is a possibility for either party to seek judicial review; however, the Court's review is limited to questions of law. It is important to note the Workers' Compensation Commissioner's office also provides a variety of different procedures to resolve disputes, such as: mediation, alternate medical care and health services dispute resolution.

Not all workers' compensation claims go through an administrative dispute resolution process as some are paid. However all claims are filed with the Commissioner's office.

So how does this bill affect the current workers' compensation and process?

- Intoxication and Injury reporting:** The bill shifts the burden from employers to employees in cases of injury due to intoxication; in the event of a positive drug or alcohol test following a workplace injury, the employee will have to show his/her intoxication was not the reason for the injury or there was no intoxication at all, in order to claim workers' compensation benefits. It also requires employees to report injuries within 90 days of when they knew or should have known of such injury. These two pieces speak to the main goal of all Iowa employers and citizens: worker and workplace safety is essential to protect the innocent and law-abiding workers. An intoxicated employee is not only a danger to themselves, but to their fellow coworkers. An unreported injury is dangerous to the injured employee and their fellow coworkers; employers want to know of safety hazards to address them in a timely manner and prevent future harm to other employees.
- Protecting injured workers:** This bill protects injured workers and their families to ensure financial benefits are paid to those who are legitimately injured on the job. It ensures timely payment to the injured employee in weekly wage replacement benefits for an employee's work life, as opposed to lump sum payments for the benefit of attorneys. Medical examination expenses are also addressed in this bill, as a way to stop the frivolous lawsuits born from medical professionals taking advantage of injured workers.

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- **Ensuring employer responsibility:** While workers' compensation provides benefits for injured workers, there are some workers who are able to remain in the workforce, and this bill further incentivizes employers to accommodate those injured employees. Additionally, with more injury reporting, employers will be able to address safety

Education Bills Still Alive

The first "funnel" came and went last week, a procedural process of the legislature whereby any bills that will continue to move forward this session must be voted out of committee by last Friday. The process narrows the legislature's focus on policy proposals for the remainder of the session.

Note that passage through committee does not guarantee additional action. Also, some bill numbers will change moving forward for procedural reasons. With that, here are the bills that survived the House and Senate Education Committees (these are abbreviated summaries, additional information is available if requested):

House Files

HSB 94 – Postsecondary Institution Registration – Makes cleanup changes for post-secondary education registration and allows for provisional registration, and allows for denial, revocation, or suspension of registration for engaging in prohibited behavior

HSB 178 – School District Fund Flexibility – Provides new allowable uses for specific funding received by school districts, including professional development, at-risk / dropout prevention, preschool, PPEL funding, talented and gifted funding, and student activity fund dollars.

HF 17 – Student Athlete Concussions Protocols – Requires CPR training for coaches, concussion protocols, including return-to-play, as well as concussion notification be in place for student athletes.

HF 26 – Statutory Home Rule for School Districts – Gives school districts in Iowa statutory Home Rule authority, providing stronger local control for school districts

HF 136 / SF 166 – Supplemental State Aid FY18, Regular Program and Categorical, and Law Changes –

Sets Supplemental State Aid (SSA) at 1.11% for FY18 for school districts, a \$73 per pupil increase and a \$40 million increase in school aid. Also makes changes to the process by which SSA is set every year.

HF 217 – Board of Educational Examiners Discipline Reporting – Requires notification be sent to the licensing board if a licensed

issues.

- **Predictability:** A key benefit to be had by injured employees comes with the Workers' Compensation Act's predictability. Several pieces of the bill address different Commissioner rulings and Supreme Court case holdings that flipped the normal practice around, which resulted in uncertainty for all involved parties. This bill codifies what current practice was, allowing the sys-

employee is disciplined by the district for being on school premises or at a school-sponsored activity while under the influence of drugs or alcohol.

HF 349 – Petition for Merger or Consolidation Weighting – In the case of a school district merger or consolidation, if conflict occurs between the merger plan and the petition, the petition is given more legal weight.

HF 419 – Peace Officers as Driver Education Instructors – Allows peace officers to teach driver education in a classroom setting provided they meet minimum standards.

HF 446 – School District Flexibility Fund – Allows for the creation of a Flexibility Fund in each district, the purpose of which is to collect unexpended and unobligated funds from a few different sources of categorical funding and allow the district to use those funds to enhance local programs.

HF 474 – Uncollectible Student Debt – The College Student Aid Commission can discharge student loan debt owed to the commission if it finds the debt is uncollectable and costly to track.

HF 472 – Forgivable Loan Eligibility – Prevents qualifying for two separate loan programs that address teacher shortage areas, ensuring access to more applicants.

HF 473 – High School Equivalency Programs – Establishes the addition of multiple pathways to obtain a High School Equivalency Diploma beyond just taking an exam.

HF 507 – Computer Science Education – Encourages school districts to provide computer science courses in grades K-12, requires standards for such classes be developed, and creates opportunities for training in this area.

HF 508 – Operational Sharing Incentives Extension – Extends Operational Sharing, the process by which school districts share various school personnel positions and receive incentive funding, indefinitely.

HF 514 – College Student Aid Commission Board Composition – Increases the board size from 8 to 9, removes lender insti-

tem to return to its predictable nature.

HF 518 rebalances the workers compensation scale in an effort to benefit all Iowans – employers, employees and their families. Benefits are not being slashed, employers are not skirting responsibility and injured employees will still be compensated for workplace injuries when necessary.

tution and a student loan borrower, as the commission no longer guarantees loans, and adds an additional member of the general public for balance.

HF 515 – School District Security Plans – Requires school districts to have a school security plan in place for all of the buildings in the district by June 30, 2018. A task force is to be convened to issue recommendations to school districts.

Senate Files (the Senate moved files similar to House files that are not included in this list)

SF 240 – Assessments – Requires the Department of Education to request and choose a statewide assessment for student achievement and growth measurements that measures Iowa's academic standards. A new assessment will not go into place for the 2017/18 school year.

SF 349 – Iowa Tuition Grant – Removes the individual student cap for maximum award on the Iowa Tuition Grant of \$6000.

SF 150 – English Language Learners Weighting – Extends the number of years a student may be eligible for ELL funding from 5 to 7 years.

SSB 1114 – Children's Residential Facilities, Religion Exemption – Provides an exemption from certain standards for religious institutions that provide residential education programs for at-risk students.

SSB 1124 – School District Funding and Transportation Equity – Evens out the playing field for school districts on their authority for spending on a per pupil basis and provides additional funding to school districts with high costs for transporting students to the school.

SSB 1137 – Education Regulation Omnibus – Makes numerous regulatory changes in the areas of Department of Education control over local district operations, dental and vision screening requirements, online learning, community college courses for high school students, fees for open enrollment,

Environmental Protection

(Contact Lew Olson at 1-3096)

DNR Reminds Communities that Derelict Building Grant Applications Due April 21

On Thursday, March 2, 2017, the Iowa Department of Natural Resources (DNR) published its electronic newsletter 'EcoNewsWire' that contained an article reminding the public that small rural communities looking for assistance to help renovate or deconstruct abandoned commercial and public structures can apply for funding through the Derelict Building Grant Program. Applications for the next round of

funding are due April 21, 2017. The grant program, instituted by state legislation, helps rural Iowa communities with populations of 5,000 or less to deconstruct or renovate abandoned commercial and public structures. The program emphasizes reuse and recycling of building items, helps improve street appearance and commercial development, and alleviates the environmental concern these buildings can pose.

Financial assistance includes asbestos removal, building deconstruction and renovation, and other environmental services.

A committee from the Iowa DNR, Iowa Society of Solid Waste Operations, Iowa Recycling Association, Iowa Economic Development Authority and Keep Iowa Beautiful selects the projects for funding.

Human Resources

(Contact Carrie Malone at 5-2063)

Senate Human Resources Committee Passes Feticide Bill

Last week, the Iowa Senate Human Resources committee passed SF 471. The bill amends the definition of feticide in the Iowa Code.

Current Law

Currently under Iowa Code Section 707.7 (1) a person who intentionally terminates a human pregnancy with the knowledge and voluntary consent of the pregnant person, after the end of the second trimester where the death of the fetus occurs commits feticide. Under current law, this is a class c felony, punishable by confinement for no more than 10 years and a fine between \$1,000 and \$10,000.

Under current law, attempted feticide is when any person attempts to intentionally terminate a human pregnancy, with the knowledge of and voluntary consent of the pregnant person, after the end of the second trimester of the pregnancy where the death of the fetus does not result. Attempted feticide is a class D felony punishable by

confinement for no more than 5 years and a fine between \$750 to \$7,500.

Current Law - Exceptions to Feticide

Under the current feticide law, feticide does not apply to the termination of a human pregnancy performed by a licensed physician when in the best clinical judgment of the physician the termination is performed to *preserve the life or health of the pregnant person or of the fetus* and every reasonable medical effort is made to preserve the life of the pregnant person and the fetus.

Changes to Law:

SF 471 changes the time frame for both feticide and attempted feticide from after the end of the second trimester of pregnancy to after the pregnancy reaches twenty weeks postfertilization.

New Law - Exceptions to Feticide

The bill changes the exceptions to the feticide law. Feticide shall not apply if the termination is performed to *preserve the life* of the pregnant person or of the fetus or to *avert a serious risk* to the pregnant person of substantial and *irreversible physical impairment* of a major bodily function.

The bill also adds an exception to the feticide law for a *fetal anomaly incompatible with life*. The Code section on feticide shall not apply to the termination of a human pregnancy between twenty and twenty-four weeks postfertilization performed by a physician when there is a fetal anomaly incompatible with life. If there is a fetal condition diagnosed in utero that will with reasonable certainty result in the death of the child or will result in requiring life-sustaining procedures to the child after the child's birth and for the duration of their life, it is not feticide.

The bill passed out of the Senate Human Resources committee. It will have to pass through the Senate before it can be considered on the House side

Judiciary

(Contact Amanda Wille at 1-5230)

Thousands of Sexual Assault Kits to be Tested

Last year, House File 2420 required the Department of Justice to determine how many untested sexual assault kits were being held by state law enforcement agencies. This week, the Attorney General's Crime Victim Assistance Division published their findings. There are currently 4,265 untested sexual assault kits being held across the state. This number is higher than previous estimates and highlights some of the problems facing victims of sexual assaults.

The survey conducted by the Iowa DOJ required law enforcement agencies to answer a series of questions about sexual assault kits, how they are handled, stored, documented, and how the cases associated with the kits were resolved. Some of the untested

kits remain so for a variety of reasons. If a victim is unwilling to cooperate or if they request the kit not be tested, law enforcement has normally not followed through with the test. Even if a kit isn't tested, Iowa law requires all sexual assault kits be kept for at least 10 years, and in some cases longer.

Testing on the sexual assault kits will begin in June. A private laboratory has been selected by the Attorney General's office to do the testing. The Division of Criminal Investigation's Criminalistics Laboratory has conducted these tests in the past but is unable to keep up with the backlog due to the high volume of sexual assault kits and other investigations DCI assists with.

Iowa has received a grant of \$3 million to help clear the backlog of tests, but only \$1.2 million can actually be used to pay for the testing. Once kits are tested information can be added to the national DNA database. In some cases this information has led to additional convictions or even exonerations of some people. It is unknown if the AG's office has any other grants or awards that could be used to further reduce the backlog.

There are nine police departments who have 100 or more untested kits, including; Ames, Cedar Rapids, Council Bluffs, Davenport, Des Moines, Fort Dodge, Iowa City, Sioux City and Waterloo.

Bi-Partisan Second Amendment Bill Passes Iowa House

On Tuesday, House Republicans successfully passed an extensive, bi-partisan bill preserving Second Amendment rights for Iowans. Through HF 517, the firearms permitting process is made simpler and safer, parents are guaranteed the opportunity to teach their children how to safely handle firearms, the privacy of Iowans who have a firearms permit is protected, and Iowans are given the right to defend themselves. The bill also includes several other changes to the law that House Republicans have worked on for the past seven years.

Permit to Carry Weapons and Firearm Safety Training

Divisions three and four of the bill address the firearms permitting process. Nonprofessional permits to carry and permits to acquire will both be issued for five years. In order to get an initial nonprofessional permit to carry, a person must complete a firearms safety class that can be done online or in person. Additional classes are not required when a permit is renewed. While the permits are issued for five years, the office that issues a permit to carry or acquire

“may conduct annual criminal history checks.”

Under current law, permits to carry and acquire can look significantly different depending on where the permit is issued. HF 517 creates a uniform appearance for both

a permit to carry and a permit to acquire. Having a uniform permit system will make it easier to verify the validity of a permit in any situation.

Possession of Pistols and Revolvers by Persons Under the Age of 14

Current law does not allow a parent to teach their child how to safely handle a pistol or revolver if they are under 14. There is no restrictions on shotguns or rifles and this imbalance has created problems for law abiding Iowans. The bill allows a parent or guardian to supervise a child, under the age of 21, while they lawfully use a pistol or revolver. The guardian must remain in close proximity and have visual and verbal contact with the child using the pistol or revolver. The guardian will be strictly liable to an injured party for all damages resulting from the possession of the handgun. Under current law, and this bill, anyone else who allows a person under 14 to possess a handgun is guilty of a class “D” felon.

Permit Confidentiality

Iowans who have a permit to carry or acquire firearms risk having their private information released to the public. HF 517 requires DPS and the county sheriff to keep this personally identifiable information private. The information may only be released to law enforcement under certain circumstances. The Department of Public Safety or the County Sheriff can also confirm the validity of a permit.

Stand Your Ground-Justifiable Use of Reasonable Force

Under HF 517, Iowans will finally be allowed to stand their ground and protect themselves and others from violent attacks. A person will be permitted to use reasonable force, up to and including deadly force, to protect themselves or others if there is reasonable belief that force is necessary. By removing the duty to retreat Iowans no longer have to run and hide in dangerous situation and can instead stop an attack. The bill also presumes that a person is justified in using deadly force if they believe it is necessary to protect themselves or others in their home, place of business or vehicle. A person who uses self-defense is not liable, either criminally or civilly, to the aggressor who was injured or killed. Additional language in the bill clarifies that a person who is under the influence of alcohol or drugs may not possess a dangerous weapon, however, they may still be justified in using a weapon in self-defense.

After seven years of hard work, House Republicans were successful in passing a comprehensive firearms bill that ensures Iowans freedoms are protected. The bill has been sent to the Senate where the Judiciary Committee will begin hearings on it sometime soon. For additional information on HF 517 and a complete bill analysis, please visit the House Republican’s website.

Labor

(Contact Mackenzie Nading at 1-3626)

HF 533 to Address Iowa Supreme Court Decision

On June 3rd, 2016 The Iowa Supreme Court issued an opinion that overturned an Iowa Administrative rule that has been followed by state agencies for more than 40 years. The newly overturned rule is one that helps define when employees are allowed to claim unemployment insurance benefits.

The specific case in question was filed by appellant Sondra Irving, who was let go from her job at the University of Iowa Hospitals and Clinics after she failed to show up to work for almost four weeks. Irving was unable to work because she was incarcerated on a domestic violence charge, which was later dismissed. The Iowa Employment Appeal Board (IEAB) denied Irving her claim for unemployment during this time on the grounds that “her absences while she was sitting in jail amounted to “misconduct” and that she had, in effect, quit her job.” A

four justice majority disagreed with the IEAB, and overturned their decision to deny Irving her benefits. In the majority opinion written by Justice Brent Appel, the majority states “involuntary incarceration, at least where charges are dismissed, falls within the definition of other reasonable grounds for absence as defined in state rules.”

The IEAB is a state agency that is governed by a set of Iowa Administrative rules. For the past few decades the IEAB has interpreted these governing rules in such a way that if an employee is fired from work for “seemingly legitimate” reasons, such as being incarcerated against their will, the employee is not eligible for state benefits. The Supreme Court set precedent with this decision; rendering that rather than following a “hard and fast” rule that employees let go due to absence, because of jail time, do

not receive unemployment, the IEAB should weigh the facts and circumstances of each individual claim when making such a determination.

The majority opinion further clarified that, “We do not think incarceration, in and of itself, can ever be considered ‘volitional’ or ‘voluntary’. Indeed, incarceration is perhaps the ultimate nonvolitional act.” The idea that an employee leaves a job by their own volition is a key argument of whether or not that employee has a right to unemployment benefits. The majority of justices are concluding that the mere act of incarceration at its face value is one of nonvolition, and therefore the hard and fast rule should not be applied, but the rather each situation be weighted individually.

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This ruling turned out to place a large burden on employers. As [Rox Laird](#) surmised in his analyses of the decision, “It may leave employers wondering about their liability. Unemployment insurance was created to encourage reliable employment and to buffer temporary unemployment. At the same time, the system was not intended to force employers to pay benefits to workers fired for good cause, including not showing up for work.”

On February 28, 2017 the House Labor Committee unanimously passed HSB 143 – now HF 533 – out of committee. This piece of legislation was crafted by the Iowa Work-

force Development and introduced to try and reinstate the administrative rule that was overturned by the Irving case. This bill will codify the administrative rule which was overturned, stating that if a person is incarcerated they shall be considered disqualified from receiving unemployment benefits if they are fired from their job.

After bipartisan discussion, a clarifying amendment was drafted and will be adopted to HF 533 when debated on the house floor. This amendment states that if an individual was wrongfully accused of a crime, and loses their job because of incarceration, upon being found innocent and released shall still be able to qualify for unem-

ployment benefits. The possibility of an employee being wrongfully incarcerated is a very real possibility, and although it is agreed to that guilty persons should not qualify for unemployment benefits, further disenfranchising those who may be innocent was not the intention of Workforce Development or the General Assembly.

HF 533 should see floor action in the coming few weeks of the Iowa House. If signed by the governor, this piece of legislation will restore balance and common sense to the guiding principles of Iowa’s unemployment insurance program.

Local Government

(Contact Jason Chapman at 1-3015)

Local Government Committee Bills Still Alive

The first “funnel” came and went last week, a procedural process of the legislature whereby any bills that will continue to move forward this session must be voted out of committee by last Friday. The process narrows the legislature’s focus on policy proposals for the remainder of the session.

Note that passage through committee does not guarantee additional action. Also, some bill numbers will change moving forward for procedural reasons. With that, here are the bills that survived the House and Senate Local Government Committees (these are abbreviated summaries, additional information is available if requested):

House Files

HF 307 – Waterworks/Sewer Services Franchise – Allows a city to extend a franchise agreement for sewer services and water services without a vote, a similar authority for other essential services.

HF 308 – Military Record Keeping – Changes the time frame for the military records kept on file by the county recorder be kept confidential except in certain cases. One of those cases is that 75 years has transpired since the filing of the record. The bill changes this to 62 years in order to match federal law.

Status: Passed House, In Senate Local

Government Committee

HF 295 – Statewide Commerce and Local Government Pre-emption – Establishes several preemptive measures for city and county governments. It prevents cities and counties from: establishing a minimum wage or other employment benefits that differs from the state or federal government; banning consumer merchandise or containers used for transporting the merchandise; and from establishing broader protected classes than what are already protected under state and federal law.

HF 485 – City Council Member on Volunteer Fire Department – Allows a person elected to the city council to also serve on the volunteer fire department in any capacity, regardless of the size of the city.

HF 528 – County Compensation Board Composition – Creates a new county compensation board comprised of 5 representatives of the cities and townships in a county

HF 326 – Co-ownership of Vehicles, Title Re-issue – Removes a fee requirement for reissuing a vehicle title when a co-owners of a vehicle is deceased.

HF 486 – County Supervisor Districts – Requires that counties with a population over 130,000 must be a Plan 3 county, with

supervisors chosen by equal-population districts.

Senate Files (the Senate moved files similar to House files that are not included in this list)

SF 439 – County Recorder Document Storage – Allows a county recorder to return certain documents required to be kept by the recorder to the original owner, or disposed of if the original owner does not want it, if the county has an electronic copy on file.

SF 451 – Interest Calculations on County Fees and Payments – Establishes that entering payment through a county website counts as submission for purposes of calculating interest on the payment or fee.

SF 452 – County Deputy Auditor Salary – Increases the max county deputy auditor salary from 80% of the county auditor salary to 85%.

SF 481 – Sanctuary Cities – Makes many changes, but boiled down the bill prevents local entities and community colleges from becoming sanctuary cities for illegal immigrants, but also provides protections against racial profiling by law enforcement.

Natural Resources

(Contact Carrie Malone at 5-2063)

2016 Iowa Deer Harvest Over 10,000

In 2016, hunters reported harvesting 101,397 deer, which is 3,000 fewer than were reported in 2015.

It is likely that the warm weather in the early seasons was a factor that contributed to the lower harvest.

Hunters in the early muzzleloader season reported 600 fewer deer and youth hunters reported 400 fewer deer than the 2015 season. The 2016 harvest was nearly identical to the 2014 harvest.

The goal of the Iowa DNR is to have a harvest between 100,000 and 120,000 deer each year. These numbers come from a state deer task force recommendation. The state deer task force meets annually to monitor Iowa's deer population and adjust numbers.

Transportation

(Contact: Ashely Beall 1-3440)

Traffic Law Change Regarding Right Turns on Right

This past Tuesday, the house passed HF 464. This bill pertains to right turns on red lights and updates the current code. Currently, if there are two designated right turn lanes, only the innermost lane can turn right

on a red onto a one-way street.

This bill now allows for both designated right-turn lanes to turn right on a red light onto a one-way as long as it can be done

so safely. It also allows for a left turn on a red light onto a one-way as well as striking out the provision that the turn must be made into the innermost lane.

Road Construction on U.S. in Waterloo will begin March 13

The Iowa Department of Transportation has announced that the first phase of a two-year reconstruction project on U.S. 63 in Waterloo will begin Monday morning, weather permitting. Due to this construction, there will be a detour around the work zone on U.S. 63 between Jefferson Street and Franklin Street in Waterloo.

This construction will have traffic impacts. Northbound and Southbound U.S. 63 traffic in the reconstruction project area will be restricted to one way. Local traffic will have access to the area but motorists are en-

couraged to use the detour or an alternate route due to expected delays that will be caused by traffic congestion.

- Traffic heading southbound on the U.S. 63 will be detoured around the work zone using Airline Highway for 3 miles, then Airport Boulevard for 0.2 mile, then southbound U.S. 218, and then onto U.S. 63 at the interchange.
- Traffic heading northbound will be detoured using northbound U.S. 218 at the U.S. 218/U.S. 63 interchange, then north on Airport Boulevard for 0.2 mile to Airline Highway, and then 3 miles

east to U.S. 63.

As this is a work zone, motorists should drive with caution and obey the posted speed limit as well as any other signs in the work area. Traffic fines for moving violations are at least double in work zones.

To see how this highway route or other routes affect your travel, the Iowa DOT offers the "My Routes" option on 511.ia.org where you can subscribe to get email/text alerts about traffic incidents, road closures, traffic delays, and other restrictions.

Veterans Affairs

(Contact Kristi Kiouss at 2-5290)

Department of Defense Omnibus Bills Clears the Funnel

Last week the House Veterans Affairs Committee unanimously passed House Study Bill 157. The bill is from the Department of Defense and, among other things, conforms the Iowa Code of Military Justice to federal law.

House Study Bill 157 also updates Iowa Code to mirror similar federal law provisions dealing with National Guard members work-

ing in the private sector and their ability to get leave from work for military orders. Specifically, it deals with issues that arise when members of the guard of another state work in Iowa and are called up for duty. Additionally, House Study Bill 157 provides that the Iowa Code of Military Justice applies to members of the state military forces who commit an offense during travel to or from the member's duty location or the times

between consecutive periods of duty (Saturday evening of guard duty). The bill also changes the statute of limitations on any offense subject to court martial from two or three years (depending on the offense) to five years to allow for more time for investigations.

Ways & Means

(Contact Kristi Kiouss at 2-5290)

IRS Releases List of Common Filing Errors to Avoid

Last week the IRS published a list of commonly made tax filing errors. Errors are a big factor in the length of time it takes to process a tax return. The errors the IRS highlighted were:

- **Missing or Inaccurate Social Security Numbers.** It is vitally important to double check that each SSN on a tax return appears exactly as printed on the Social Security card.
- **Misspelled Names.** Be sure to spell all names listed on a tax return exactly as listed on that individual's Social Security card.
- **Filing Status Errors.** It is a common error to claim the wrong filing status (Head of Household instead of Single).
- **Math Mistakes.** Math errors are common. Taxpayers should always double check their math and if possible use software that does the math automatically.
- **Errors in Figuring Tax Credits or Deductions.** Taxpayers often make mistakes figuring their Earned Income Tax Credit, Child and Dependent Care Credit, or the standard deduction. The IRS Interactive Tax Assistant helps to see if a taxpayer is eligible for tax credits or deductions.
- **Incorrect Bank Account Numbers.** The IRS encourages having refunds directly deposited into bank accounts—however be careful to use the right routing and account numbers on the tax return.
- **Forms Not Signed.** An unsigned tax return is not valid. Both spouses must sign a joint return for it to be valid.
- **Electronic Filing PIN Errors.** When e-filing, a taxpayer signs and validates their tax return electronically with a prior-year Self-Select Personal Identification Number.
- **Filing with an expired ITIN.** A tax return filed with an expired Individual Tax Identification Number (ITIN) will be processed and treated as timely filed, but will be processed without any exemptions or credits claimed. Taxpayers will receive a notice from the IRS explaining that an ITIN must be current before any refund is paid.

Helpful information to avoid rejected returns and delays can be found at: <https://www.irs.gov/uac/interactive-tax-assistant-ita-1>.