FISCAL UPDATE April 10, 2000

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REVENUE ESTIMATING CONFERENCE



**REC Meeting** The Revenue Estimating Conference (REC) met April 7 to review the FY 2000 and FY 2001 General Fund revenue and refund estimates. Members of the Conference approved minor revisions to individual revenue classifications, but the overall revenue estimates remained nearly the same as adopted last December. However, estimates for FY 2000 and FY 2001 refunds were reduced by $18.4 million and $20.4 million, respectively.

**FY 2000 Estimate** The REC reduced the FY 2000 total receipts estimate by $0.5 million compared to the estimate adopted in December. Net receipts (total receipts less refunds) were revised upward from $4.535 billion to $4.553 billion, reflecting a reduction in the refund estimate. The FY 2000 refund estimate was revised downward from $525.6 million to $507.2 million, reflecting the less than anticipated year-to-date growth in individual income tax refunds. Although the overall revenue estimate remained at about the December REC level, significant revisions were made to the personal income tax estimate and to the sales tax estimate. The personal income tax estimate was revised upward from $2.332 billion to $2.349 billion, an increase of $17.3 million, reflecting growth in both withholding tax receipts and final return payments experienced the past two months. The sales tax estimate was revised downward by $13.7 million, from $1.436 billion to $1.423 billion, to reflect the continued weak performance of this revenue source.



**FY 2001 Estimate** The REC increased the FY 2001 total receipts estimate by $2.2 million. Net receipts were revised upward by $22.6 million compared to the December estimate, from $4.721 billion to $4.744 billion, reflecting a decrease in the previous refund estimate for the same reasons as for the FY 2000 revision. Major revisions among the different taxes include an $18.3 million increase in personal income tax, a $14.3 million decrease in sales tax, and an $8.3 million decrease in insurance premium tax.

**Gambling Revenues** Also, the REC revised upward the estimates for FY 2000 and FY 2001 gambling revenues transferred to the Rebuild Iowa Infrastructure Fund (RIIF). Gambling proceeds to the General Fund are statutorily capped at $60.0 million, with the excess going to RIIF. The REC estimate for FY 2000 was increased by $7.9 million and for FY 2001 by $4.1 million.

**By Source of Revenue** The spreadsheet below details the latest REC estimates by source of revenue.



STAFF CONTACT: Mike Lipsman (Ext. 14611)

Status of Appropriations Bills



| **Appropriations Subcommittee Bills** |
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| **Appropriations Subcommittee** |  | **LSB/File #** |  | **Status** |
| Admin./Regulation |  | HF 2545 |  | Passed the House on March 22. In Senate Approps. |
| Ag./Natural Resources |  | SF 2430 |  | Passed House Approps. on March 28. |
| Economic Development |  | SF 2428 |  | Passed House Approps. on March 29. |
| Education |  | HF 2549 |  | Passed the House on March 28. In Senate Approps. |
| Health/Human Rights |  | SF 2429 |  | Passed House Approps. on March 28. |
| Human Services |  | SF 2435 |  | Passed the Senate on March 28. In House Approps. |
| Justice System |  | HF 2552 |  | Passed the House on March 29. In Senate Approps. |
| Justice System – Judicial Branch |  | HF 2554 |  | Passed the House on March 29. In Senate Approps. |
| Oversight & Comm. |  | SF 2433 |  | Passed Senate Approps. on March 22. Action deferred on Senate Floor on April 6. |
| Trans., Infrastruc- ture, & Caps. |  | HF 2538 |  | Transportation Appropriations sent to the Governor on April 6.Infrastructure Bill in Joint Subcommittee. Bill starts in Senate. |

| **Other Appropriations Bills** |
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| **Short Title** |  | **LSB/File #** |  | **Status** |
| Tobacco Fund Appropriations |  | HF 2555 |  | Passed House Approps. on March 30. |
| Block Grant/Federal Funds  |  | HF 2533 |  | Passed House on April 5. |
| Supplementary Weighting |  | HF 2496 |  | Passed Senate Approps. |
| Oil Overcharge |  | SF 2416 |  | Passed the Senate on March 23. In House Approps. |
| Budget Guarantee |  | SF 2111 |  | Signed by the Governor on April 6. |
| Merchant Marine Bonus |  | SF 2141 |  | Passed the House on April 3 |
| WW II Memorial |  | HF 2059 |  | Signed by the Governor on January 31. |
| Senior Living Trust |  | SF 2193 |  | Signed by the Governor on February 29. |
| Allowable Growth |  | SF 2082 |  | Signed by the Governor on February 9. |
| Deappropriations |  | HF 2039 |  | Signed by the Governor on January 18. |

STAFF CONTACT: Holly Lyons (Ext. 17845)

Governor Signs Budget Guarantee Bill - SF 2111

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 **Budget Guarantee** The Governor signed SF 2111 on April 6. The Bill as signed by the Governor provides:

* A budget guarantee provision for FY 2001 that allows school districts with declining enrollment to receive additional funds that guarantee the FY 2001 regular program district cost is equal to 100.0% of the FY 2000 total program district cost. Total cost of this plan for FY 2001 is approximately $7.0 million and is funded entirely through property taxes.
* School districts with increasing enrollments can apply with the School Budget Review Committee to receive 50.0% of the total amount for on-time funding. Total cost of this plan for FY 2001 is approximately $5.9 million and is entirely funded through property taxes.

**District Estimates** District-by-district estimates of this proposal are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

FINAL ACTION ON BLOCK GRANT AND FEDERAL FUNDS BILL - HF 2533

**Federal Block Grant Bill** On April 4, the Senate passed HF 2533 (Federal Block Grant Bill).The Bill provides the mechanism for the State to receive $140.9 million in federal block grant funds, including the following:



* Substance Abuse: $12.5 million
* Community Mental Health Services: $3.1 million
* Maternal and Child Health Services: $7.0 million
* Preventive Health and Health Services: $1.9 million
* Drug Control and System Improvement Grant Program: $5.8 million
* Stop Violence Against Women Grant Program: $1.7 million
* Local Law Enforcement Block Grant Program: $320,000
* Residential Substance Abuse Treatment for State Prisoners Formula Grant Program: $520,000
* Community Services: $5.7 million
* Community Development: $30.0 million
* Housing and Urban Development (Federal 1998 Supplemental Appropriations and Recissions Act): $3.2 million
* Low-Income Home Energy Assistance: $20.0 million
* Social Services: $18.8 million
* Child Care and Development Fund: $30.4 million

**Categorical Funds** The Bill also provides the mechanism for State agencies to receive $2.488 billion in categorical federal and nonstate funds.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Russ Trimble (Ext. 14613) Valerie Thacker (Ext. 15270)

Final Action on Merchant Marine Bonus - SF 2141

**SF 2141 - Merchant Marine**  Senate File 2141 (Merchant Marine Bonus) passed the House on April 3. The Bill creates a Merchant Marine Bonus Fund and appropriates $150,000 from the General Fund for FY 2001 to provide bonuses to eligible World War II merchant marines or eligible dependents of such merchant marines.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Valerie Thacker (Ext. 15270)

Oil Overcharge Bill – SF 2416 Passes House



**Oil Overcharge – SF 2416** The House passed SF 2416 (Oil Overcharge Appropriations Bill) March 3. The Bill appropriates petroleum overcharge funds for FY 2001 to the Department of Human Rights and the Department of Natural Resources. The Bill:

* Appropriates $350,000 to the Department of Human Rights from the Stripper Well Fund for qualifying energy conservation programs for low-income housing. This is no change compared to the FY 2000 appropriation.
* Appropriates $40,000 to the Department of Human Rights from the Exxon Fund for qualifying energy conservation programs for low-income housing. This is a decrease of $170,000 compared to the FY 2000 appropriation.
1. Appropriates $60,000 from the Exxon Fund to the Department of Natural Resources for energy conservation and extension purposes. This is an increase of $10,000 compared to the FY 2000 appropriation.
2. Appropriates $150,000 from the Stripper Well Fund to the Department of Natural Resources for administrative functions. This is a decrease of $25,000 compared to the FY 2000 appropriation.

**To the Governor** The Bill will be sent to the Governor for his signature.

STAFF CONTACT: Deb Kozel (Ext. 16767)

Vision Iowa Bill - SF 2447 Passes Senate Ways and Means Committee



**Vision Iowa Program** The Senate Ways and Means Committee passed SF 2447 (Vision Iowa Program) on April 6. The Bill establishes a new program to assist communities in developing major attractions and restructures an existing tourism program in the Department of Economic Development (DED). It also creates a new infrastructure program in the Department of Education. The Bill creates three new funds for purposes of the programs but does not appropriate funding.

**Board Created** Senate File 2447 creates the 13-member Vision Iowa Board within the DED to oversee the Community Attraction and Tourism (CAT) Program and the new Vision Iowa Program. The Board’s membership would include representatives of Iowa’s three tourism regions, cities with population under 20,000, counties ranked among the 33 least populated, and cities with population of more than 20,000.

**CAT Program** The CAT Program is designed to assist communities in the development and creation of multi-purpose attraction and tourism facilities by providing grants, loans, forgivable loans, and loan guarantees. Criteria the Vision Iowa Board must consider in awarding CAT funding to projects include:

* Whether the wages, benefits, safety, and other attributes of the project would improve the quality of the attraction and tourism employment in the community.
* The extent to which the project would generate additional recreational and cultural attractions and tourism opportunities.
* The potential for long-term tax-generating economic impact.
* Geographic diversity among applications.
* The extent to which a project meets the definition of vertical infrastructure.
* Whether the applicant has received financial assistance under the CAT Program for the same project.

**Project Funding** The funding for a single project cannot exceed 50.0% of the total project cost.

**Fund Established** The Bill establishes the Community Attraction and Tourism Fund as a separate fund under control of the Vision Iowa Board and specifies that interest earned on moneys in the Fund shall be retained by the Fund. The Board is required to annually reserve one-third of the moneys in the Fund for cities with populations of 10,000 or less and for counties ranked among the 33 least populated.

**Purpose of Program** The new Vision Iowa Program would assist communities in the development of major tourism facilities by providing grants, loans, forgivable loans, pledges, and guarantees. Eligibility for funding from the program would be based on specific criteria, including:



* A total project cost of at least $20.0 million.
* Local and private financial and non-financial support of at least 50.0% of the total project cost.
* A primarily vertical infrastructure project, with demonstrated substantial regional or statewide economic impact.
* Potential to benefit Iowa residents beyond the county in which the project is located.
* Potential to attract visitors from out of state and to enhance recruitment and retention of young people as residents.

**Bond Issuance Authorized** The Bill authorizes the Treasurer of State to issue bonds upon the request of the Vision Iowa Board. It specifies that such bonds are payable solely from the Vision Iowa Fund and that the bonds and the interest thereon shall be exempt from State taxation. It establishes the Vision Iowa Fund as a separate fund and requires that interest earned be retained in the Fund. The Bill restricts funding for each applicant to $75.0 million.



**School Infrastructure Program** Senate File 2447 directs the Department of Education to establish and administer a School Infrastructure Program to provide financial assistance to school districts by awarding grants based on need each year for five years. It establishes the School Infrastructure Fund under the control of the Department for purposes of the program.

**Infrastructure Grants** Grants are limited to the lesser of $1.0 million or the total capital investment of the project. A local match, ranging between 20.0% and 50.0% of the total project cost, is required. The match percentage would be determined by a formula that compares the applicant district’s property tax infrastructure capacity per pupil and sales tax capacity per pupil to the capacity of the school district ranked at the 40th percentile in the State. The match requirement may be met through the issuance of bonds, Local Sales and Services Tax moneys, a Physical Plant and Equipment Levy, or other moneys locally obtained. Other State or Federal grants are excluded as sources of match moneys.

**Allocation of Funding** The Bill specifies that no school district shall receive more than one grant under the program. It requires that funding be allocated annually as follows:

* 25.0% to school districts with enrollment of 1,199 or less
* 25.0% to school districts with enrollment of 2,000 to 4,750
* 25.0% to school districts with enrollment in excess of 4,750
* 25.0% to school districts of any size enrollment



**SBRC Review of Applications** The School Budget Review Committee (SBRC) would review applications for assistance and make recommendations to the Department, which will determine grant awards. The SBRC would be advised by a task force of representatives from the K-12 education community, the State Fire Marshal, and individuals knowledgeable in school infrastructure and construction issues. The Bill requires that greater priority be given to school districts:

* With a lower capacity per pupil
* With plans that address specific occupant safety issues
* Which are reorganizing or collaborating with other districts
* Which have not imposed a Local Sales and Services Tax
* Which are receiving minimal Local Sales and Services Tax revenues in relation to enrollment

**Fire Marshal Allocation** The Bill includes an allocation of $50,000 to the State Fire Marshal for the purpose of obtaining architectural advice in evaluating structures for which school infrastructure grant applications are made.

**Appropriations** Senate File 2447 does not appropriate any new moneys to the three programs defined in the Bill. An existing FY 2001 appropriation of $12.5 million to the CAT Program is retained.

STAFF CONTACT: Robin Madison (Ext. 15459)

Pseudorabies Control – SF 2312 Passes Senate and House

**Pseudorabies Control Bill** The Senate amended and passed SF 2312 (Pseudorabies Control Bill) on April 5 and the House concurred with the Senate amendment on April 6. The Bill, as amended, contains several definitions, new language, and amends and strikes several sections of Chapter 166D, Code of Iowa.



**Requirements** The Bill requires all pigs in Stage II counties in Iowa to be vaccinated for pseudorabies. Stage II counties include 66 counties in the northern two-thirds of the State where infected herds exist and herd cleanup plans are in effect. The Bill also requires all pigs in an infected breeding herd be tested within 15 days of the herd being classified as infected and all pigs reacting positively to the test must be sent directly to a slaughtering plant by restricted movement under the Department of Agriculture and Land Stewardship approved seal.

**Definitions** All infected feeder pigs and cull swine must be moved by restricted movement to a slaughtering plant or an approved premise for feeding prior to slaughter. An approved premise cannot be located in Stage III counties, must be certified by the Department, and must be one and one-half miles from a noninfected herd and three miles from a qualified negative or a qualified differentiable herd. Stage III counties are the 33 counties located in the southern third of the State where mandatory cleanup is in effect and there are no positive herds. A qualified negative herd is a herd where 100.0% of the breeding swine have reacted negatively to a pseudorabies test, have not been vaccinated, and are retested every 30 days. A qualified differentiable negative herd is a herd where 100.0% of the breeding swine have reacted negatively to a differentiable test and are retested every 30 days.



**Movement Restricted** The Bill restricts the movement of hogs into Iowa. For Stage III counties, only breeding swine from a qualified negative or qualified differentiable herds and only feeder pigs that react negatively to a differentiable test can be moved into Iowa. Imported swine moved into Stage II counties must be vaccinated with a differentiable vaccine prior to movement and a statistical sample of the herd must be tested within 30 days of movement into Iowa. Hogs imported into Iowa do not require prior vaccination if the hogs cannot be vaccinated due to the exporting state’s or country’s law, or are isowean feeder pigs, or are moved to a fixed concentration point or slaughtering plant.

**Effective Date** This Bill takes effect upon enactment and shall be implemented by the Department of Agriculture and Land Stewardship by August 1, 2000.

**Appropriation** In SF 2490 (Agriculture and Natural Resources Appropriations Bill), there is an appropriation to the Regulatory Division, Department of Agriculture and Land Stewardship, for $200,000 to implement this Bill if enacted.

STAFF CONTACT: Sherry Weikum (Ext. 17846)

Human Services Appropriations Bill - SF 2435 passes House Appropriations Committee

**Human Services - SF 2435** The FY 2001 Human Services Appropriations Bill, SF 2435, was passed without amendment by the House Appropriations Committee on April 3. The Bill appropriates $797.8 million and 5,509.4 FTE positions, an increase of $9.2 million (1.2%) and 13.8 (0.2%) FTE positions compared to the FY 2000 estimated net appropriation.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Deb Anderson (Ext. 16764) Sue Lerdal (Ext. 17794)

JUDICIARY BILLS

**Governor Signed** The Governor has signed the following Judiciary Bills:



Governor Signed

**Sexually Predatory Offenses** Senate File 2015 makes technical changes to the sexually predatory offenses law due to a recent Supreme Court Opinion. In State v. Tornquist, 600 N.W. 2d 301 (Iowa 1999), the Supreme Court concluded that the enhancement provisions of Chapter 901A.2, Code of Iowa, may not be applied retroactively to permit use of convictions occurring before the date of the Act to enhance a sentence for a later conviction. The Bill addresses this issue, as well as repeals one definition of certain sexually predatory offenses. Senate File 2015 takes effect upon enactment and has no fiscal or correctional impact. However, it does make the enhancement provisions enforceable for certain sexually predatory offenses.

**Sex Offender Registry** Senate File 2031 makes changes to the criminal penalties relating to the sex offender registry. The Bill provides that an offender who knowingly violates any provisions of the sex offender registry law commits an aggravated misdemeanor for a first offense, and a Class D felony for a second or subsequent offense. Senate File 2031 provides that sex offenders who are required to register with the county sheriff must do so within five days of changing residences. The Bill is not expected to have a significant fiscal or correctional impact since it is clarification of existing law due to a recent Supreme Court Opinion.

**Statute of Limitations** House File 2420 extends the statute of limitations for filing sex abuse criminal charges. The Bill is expected to have no significant correctional or fiscal impact.

**Guardianship/Conservatorship** House File 2240 relates to notice of the appointment of counsel in guardianship and conservatorship proceedings. The Bill is expected to have no significant fiscal impact.



**Juvenile Offenders** Senate File 2221 provides the district court with the option to suspend a sentence of a juvenile offender who has been waived to adult court, except for juveniles who commit a Class A felony. Under the Bill, a juvenile waived to adult court may not receive a deferred judgment for a Class A felony. The Bill extends the duration of the juvenile court’s jurisdiction over certain offenders. The Bill is expected to have a minimal fiscal impact on the Department of Human Services. The Judicial Branch may realize some additional cases, but the fiscal impact cannot be determined. Senate File 2221 may increase aftercare and community-based services provided by counties, but the actual fiscal impact cannot be determined.

**Judicial Branch Admin.** Senate File 2303 relates to Judicial Branch administration. The Bill transfers certain duties from judicial officers to county boards of supervisors. Certain appointment duties are transferred from district court judges to the Chief Judge. The pay and benefit plans of court employees are required to be set within the funds appropriated by the General Assembly. The Bill provides discretion for the Supreme Court to provide the same benefits to non-contract covered employees as those covered by a collective bargaining agreement. If the Supreme Court elects to provide the same benefits, there will be a fiscal impact. The current collective bargaining agreement provides covered staff with the retirement option of converting accrued sick leave to insurance benefits, rather than accepting the dollar value of sick leave up to $2,000. If the Supreme Court elects to provide this option, the fiscal impact to the Judicial Branch’s operating budget is estimated to be approximately $91,000 during FY 2001, $119,000 during FY 2002, $132,000 during FY 2003, and $159,000 during FY 2004. The Bill requests a legislative interim study related to the statutory requirements for appointing and compensating mental health advocates.

**Sent to the Governor** The following Judiciary Bills have been sent to the Governor:

**Crime Prev./Privacy Compact** Senate File 2145 enacts the Crime Prevention and Privacy Compact of 1998. The Bill organizes an electronic information sharing system between the federal government and the states for the purposes of exchanging criminal history records, excluding sealed records, for purposes such as background checks, immigration matters, and national security clearances. Senate File 2145 requires the Federal Bureau of Investigation and the states which are parties to the Compact to maintain their own criminal history databases and to make such records available to the federal government or other states for background checks. The states are required to provide information and records for the National Identification Index and the National Fingerprint File. The Bill is expected to have no significant fiscal impact upon the Department of Public Safety. The Bill is expected to improve efficiencies related to employers’ ability to request background checks for employees.



**Victim Comp. Fund** Senate File 2142 relates to victim eligibility for Victim Compensation Fund benefits. The Bill adds compensation for parents or caretakers of a dependent victim for lost wages related to the dependent’s medical and counseling appointments and for lost wages of victims, parents, and caretakers for meetings with law enforcement and prosecutors in relation to criminal proceedings. Compensation for health care and lost wages for relatives of homicide victims is limited to a specified list of relatives. Compensation for crime scene cleanup is expanded to include crimes other than homicide. Senate File 2142 is estimated to increase expenditures from the Victim Compensation Fund by not more than $400,000 annually. Annual costs will not exceed the capacity of the Victim Compensation Fund, which is comprised of the following revenues: federal Victims of Crime Act funds, criminal surcharges and fines, restitution, donations, inmate wages, and recovery from insurance companies.

**Senate & House Action** The Senate and House have concurred on the following Judiciary Bills:

**Child Custody & Mediation** House File 683 relates to child custody and mediation. The Bill provides that a court may order mediation where custody and visitation rights are unresolved unless domestic abuse, child support, or medical support are involved. The Bill requires the Supreme Court to establish a mediation program which a district court may implement. The Supreme Court is required to submit a report to the General Assembly, which makes recommendations for implementing, modifying, and funding this Act. The Bill takes effect July 1, 2001 (FY 2002), except for the reporting requirement. The fiscal impact of House File 683 cannot be determined since it is not known if judges will order mediation. However, the cost of a statewide program ranges from approximately $669,000 to $1,044,200 annually.

**Adoption Proceedings** Senate File 421 permits the juvenile court to exercise jurisdiction over adoption proceedings and termination of parental rights. The Bill is expected to have no significant fiscal impact.



**Cigarettes/Tobacco Products** Senate File 2079 makes it an unlawful act to ship or import into the state, or offer for sale, sell, distribute, transport, or possess within Iowa cigarettes or tobacco products which had previously been exported from or manufactured for use outside the United States. Violations by a holder of a distributor’s, wholesaler’s, or manufacturer’s permit are grounds for revocation of such a permit. Violators are also subject to the range of criminal penalties imposed under fraudulent practice provisions. Continued domestic sales of cigarette or tobacco products, which are designed and manufactured for export, will decrease annual payments to the states for tobacco litigation. The revenue loss cannot be estimated since sales volume of these products is unknown. There may be an impact on the criminal justice system, due to the imposition of criminal penalties for fraud. However, that impact cannot be estimated due to a lack of data.



**Court Appearances** Senate File 2146 relates to court appearance and release from custody of certain criminal defendants. The Bill prohibits a defendant charged with driving with a suspended, disqualified, or invalid license from giving the court an unsecured appearance bond. The Bill also requires an unsecured appearance bond equal to one and one-half times any minimum fine for a simple misdemeanor offense, in which an unsecured appearance bond is permitted. Senate File 2146 requires a court appearance if an accident involved death or serious injury. The Bill also provides that an officer may require a person involved in an accident to appear in court based on the person’s driving record, failure to pay a fine or court costs, or any other circumstances involved in the accident. Senate File 2146 requires magistrates to consider a defendant’s failure to pay prior fines and court costs when considering the release of a defendant from custody. The provisions requiring a secured bond for defendants charged with certain violations will impact court case loads, since warrants will be issued and hearings will be held in failure to appear for hearing cases. However, the fiscal impact cannot be estimated due to a lack of data regarding the current number of unsecured appearance bonds issued for these offenses. The provisions requiring a court appearance involving death or serious injury will result in fewer court appearances. There are fewer accidents causing death or serious injury, compared to accidents involving property damage or personal injury. The fiscal impact cannot be estimated since the number of court appearances for accidents involving property damage or personal injury is not available. The provisions permitting an officer to require court appearances for certain offenders may result in more court appearances. However, the fiscal impact cannot be estimated since the court appearance requirement is at the officer’s discretion. The provisions requiring the consideration of failure to pay fines, surcharges, and court costs as a condition of release from custody will have a fiscal impact, but it cannot be determined. Counties will have more defendants held in jail, and pretrial release staff (Community-Based Corrections staff) will have increased workloads.



**Harassment** Senate File 2308 makes harassment via electronic communication a crime. The Bill also provides for the court to order the sealing of a domestic abuse file or a portion of the file as necessary to protect the privacy or safety of any person. The Bill relates to foreign protective orders, by including protective orders issued by Indian tribunals and courts in United States’ territories; expands venue to include any county that would have venue if the action were being commenced in Iowa; filing of certified copies of foreign protective orders; and to permit filing of orders that are not certified or authenticated if supported by an affidavit, subject to penalties of perjury, of a person with personal knowledge. Senate File 2308 prohibits service of copies of the foreign protective order to a respondent unless expressly directed by the person in whose favor the order is entered. The Bill requires the enforcement of a valid foreign protective order even if it is not filed with the Clerk of Court or placed in a registry of protective orders. The Bill may result in additional convictions for harassment, but any fiscal impact is not expected to be significant. The fiscal impact related to domestic abuse orders cannot be determined due to insufficient information.

**Trust Code** House File 2518 makes changes to probate law and makes technical corrections to Iowa’s Trust Code. The Bill has no fiscal impact.

 STAFF CONTACT: Beth Lenstra (Ext. 16301)

Instructional Support Additional Local Funding Bill - SF 2121 Passes Senate Ways and Means Committee

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**Instructional Support** Senate File 2121 passed the Senate Ways and Means Committee on April 4. The Bill provides for additional local funding authority under the instructional support levy and could increase local property taxes by an estimated $22.6 million in FY 2001. The State provides a standing appropriation of $14.8 million for instructional support for qualifying school districts. The unadjusted Instructional Support State Aid portion is estimated to be $37.4 million for FY 2001.

**District Estimates** District-by-district estimates are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

the Healthy Enhancement and Value-Added Energy (HEAVEN) Initiative - SF 2448 passes senate ways and means committee



**HEAVEN Initiative** The Senate Ways and Means Committee passed SF 2448, which establishes the Healthy Environmental and Value-Added ENergy (HEAVEN) Initiative and adds several provisions to the Code of Iowa pertaining to value-added agricultural and the use and availability of renewable reformulated gasoline. The Bill includes the following provisions:

* The Bill allows the New Jobs and Income Program 10.0% investment tax credit to be sold by a qualified company, if the project for which the credit is allowed primarily involves value-added agriculture. The purchaser of the tax credits may use the credits to offset State personal income tax, corporate income tax, or financial institution franchise tax. The total amount of tax credits approved in a fiscal year is limited to $4.0 million. The amount received by the seller for the tax credits is not taxable income, and the amount paid for the credits by the purchaser is not deductible. The Bill is effective July 1, 2000, and the tax credits cannot be used until the tax year following the year the project is completed.
* Prohibits all but trace amounts of the fuel oxygenate enhancer, methyl tertiary butyl ether, in fuel sold in Iowa.



* By January 1, 2001, the Bill requires retail dealers of motor fuel to offer for sale renewable reformulated gasoline (i.e., ethanol) from at least one fuel pump at each retail establishment site. By January 1, 2002, retail dealers are required to offer for sale renewable reformulated gasoline at the lowest grade of octane for which the retailer offers for conventional gasoline. Exemptions from these requirements are allowed in certain instances. The Bill establishes a civil penalty of $100 per day for noncompliance with the provisions requiring the sale of reformulated gasoline.
* The Bill allows retail dealers to apply for reimbursement from the Remedial Account of the Underground Storage Tank Fund for the conversion of motor vehicle fuel storage tanks and associated piping if the tanks are not compatible for use with reformulated gasoline. The Bill allows up to $10,000 for the conversion of tanks and $3,000 for piping. Retail dealers are required to submit applications for tank conversion costs prior to January 1, 2001.
* The Bill appropriates $25,000 from the General Fund to the Department of Agriculture and Land Stewardship for the purpose of conducting a study on increasing demand for reformulated gasoline by placing test decals on motor vehicle fuel pumps.

STAFF CONTACT: David Reynolds (Ext. 16934)

Iowa Communications Network (ICN) Video Classroom Update



**ICN Classrooms** The Iowa Communications Network (ICN) added two interactive video classrooms during March at Bettendorf High School in Bettendorf and the Braille & Sight Saving School in Vinton. Both of these sites were adding a second video classroom. This brings the total number of classrooms to 710. The total number of classrooms that will be included in the Network at the end of the Part III build out is estimated at over 725. This will include multiple classrooms at several authorized sites. The table below presents the current distribution of sites by type of authorized user.

**IOWA COMMUNICATIONS NETWORK**

|  |  |
| --- | --- |
| Area Education Agencies | 17 |
| Community Colleges | 96 |
| K-12 School Districts | 375 |
| Other Education | 7 |
| Libraries | 36 |
| Medical Facilities | 9 |
| Private Colleges | 18 |
| Regents Institutions | 29 |
| National Guard | 56 |
| State Agencies | 48 |
| Federal | 15 |
| Miscellaneous | 4 |
| Classrooms Total | 710 |

**Website** This information is updated weekly and is available on the Internet at <http://www.icn.state.ia.us/about/clickmap/clickmap.htm>**.** If you would like a copy of the complete list of sites and their locations and do not have access to the Internet, you may contact the LFB and request a copy.

STAFF CONTACT: Douglas Wulf (Ext. 13250)