

Standing Appropriations Bill Senate File 659

Last Action:

Final Action

May 14, 2025

An Act relating to State government and finances, including by making, modifying, limiting, or reducing appropriations, distributions, or transfers; authorizing expenditure of unappropriated moneys in special funds; providing for properly related matters including crystalline polymorph psilocybin, medical residency and fellowship positions, State membership in the Iowa Individual Health Benefit Reinsurance Association, student abuse by school employees, modified supplemental amounts for school budgets, wagering taxes, a State Fire Marshal study, certain Legislative Interim studies, and 911 emergency communications services; making corrections; and including effective date, applicability, and retroactive applicability provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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FUNDING SUMMARY

Senate File 659 makes adjustments to various standing appropriations that result in a decrease of \$66.7 million to General Fund appropriations for FY 2026. The adjustments include, in part, the following:

- A total decrease of \$46.9 million from the General Fund for State school foundation aid, which includes a decrease of \$21.9 million related to property tax assessment limitations and a decrease of \$25.0 million for Area Education Agency (AEA) reductions. The decrease of \$21.9 million is replaced with excess moneys from the Economic Emergency Fund.
- A decrease of \$5.0 million for Nonpublic School Transportation.
- A decrease of \$14.8 million for Instructional Support.

MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS

Limits the FY 2026 General Fund appropriation to the Department of Education (DE) for nonpublic school transportation to \$9.0 million. Requires the appropriation to be prorated if the claims exceed the appropriation. Page 2, Line 4

Suspends the General Fund standing appropriation of \$14.8 million to the DE for the Instructional Support Program for FY 2026. Page 2, Line 18

Transfers \$21.9 million from excess Economic Emergency Fund moneys to the General Fund in FY 2025 to replace an equal amount of other General Fund moneys to pay FY 2026 State school foundation aid as described in Iowa Code section [257.16](#). Page 3, Line 1

Reduces State aid to school districts by \$7,500,000 for FY 2026 and each succeeding year. Page 3, Line 11

Reduces the standing unlimited FY 2026 State school aid funding specified in Iowa Code section [257.35](#) to AEAs and school districts by \$25.0 million. Page 3, Line 25

STUDIES AND INTENT

Requires the State Fire Marshal to conduct a study of fire protection services in the State to analyze whether a structure of countywide fire protection services would maximize fire protection coverage and emergency response times. The report is due to the General Assembly by June 30, 2026. Page 18, Line 17

Requests the Legislative Council to establish an interim study committee to examine policy and recommend changes to the operation of all-terrain vehicles (ATVs) and off-road utility vehicles (UTVs). The interim Page 21, Line 7

study committee, in consultation with the Department of Transportation (DOT), Department of Public Safety (DPS), and the Department of Natural Resources (DNR), is required to submit a report with its findings by January 12, 2026, or file a Bill in lieu of submitting a report.

Requests that the Legislative Council establish an interim study committee during the 2025 Legislative interim to review topics related to subacute mental health care services. The interim study committee is required to report findings and recommendations to the General Assembly by January 12, 2026.

Page 22, Line 5

SIGNIFICANT CODE CHANGES

Adopts corrective provisions to the 2025 Iowa Acts contingent upon enactment.

Page 4, Line 17

Changes the definition of "resident of Iowa" related to [HF 516](#) (Residency Enrollment Requirements, Medical and Dental Schools Bill).

Page 10, Line 2

Prohibits the State, including departments, independent agencies, the State Board of Regents, and institutions under the control of the State Board of Regents, from becoming a member of a health benefit reinsurance association.

Page 10, Line 13

Establishes new reporting, law enforcement notification, and investigation requirements for the HHS related to child abuse by school employees.

Page 10, Line 35

Requires the DE to cooperate with the Department of Health and Human Services (HHS) during student abuse investigations that involve a school employee. Requires school districts or nonpublic schools to terminate employees that have been determined to have committed student abuse by the HHS.

Page 14, Line 10

Reduces the amount of a modified supplemental amount (MSA) that could be granted by 50.0% of the net change in the teacher salary supplement district cost per pupil resulting from open enrollment and extends the School Budget Review Committee's (SBRC's) authority to grant a school district an MSA related to open enrollment for fiscal years beyond FY 2025.

Page 15, Line 9

Redirects the tax imposed on the gross sum wagered in excess of \$25,000,000 in a year on horse races that are simultaneously telecast by a licensee to the Iowa Horse Racing Fund created in Section 37 of the Bill.

Page 16, Line 28

Establishes an Iowa Horse Racing Fund to be used by the Iowa Racing and Gaming Commission (IRGC) for distribution to entities tasked with federal horse racing regulations, and creates a 2.0% tax on the gross sum wagered by the pari-mutuel method as an advance deposit wager under Iowa Code section [99D.11\(6\)\(c\)](#) in

Page 17, Line 19

lieu of the tax imposed on the same wagers under Iowa Code section [99D.15](#). This tax revenue is deposited into the Iowa Horse Racing Fund.

Allows the 911 program manager to request reimbursement from each joint 911 service board for reasonable costs under Iowa Code section [34A.7A](#).

Page 22, Line 42

EFFECTIVE DATE

Specifies that Section 11 of the Bill, which adopts corrective provisions to Iowa Acts, [House File 782](#) (Electronic Devices in Schools Act), Section 1, is effective upon enactment and applies retroactively to the effective date of House File 782, which was April 30, 2025.

Page 9, Line 6

Specifies that Division V of the Bill related to health benefit reinsurance association membership is effective upon enactment and applies retroactively to January 1, 2020.

Page 10, Line 31

Specifies that Division III of the Bill, which relates to school budget MSAs, is effective upon enactment and applies retroactively to school budget years beginning on or after July 1, 2025.

Page 16, Line 22

Specifies that Division X of the Bill, which requires the State Fire Marshal to conduct a countywide fire protection services study, is effective upon enactment.

Page 21, Line 3

Senate File 659 provides for the following changes to the Code of Iowa.

| Page # | Line # | Bill Section | Action | Code Section |
|---------------|---------------|---------------------|--------------------|---------------------|
| 3 | 11 | 5 | Amend | 257.35.2 |
| 3 | 25 | 6 | Add | 257.35.19A,19B |
| 10 | 15 | 24 | Amend | 513C.10.1.a |
| 11 | 3 | 27 | New | 232E.1 |
| 12 | 18 | 28 | New | 232E.2 |
| 14 | 13 | 29 | Strike and Replace | 280.17 |
| 14 | 33 | 30 | Amend | 321.375.3.d |
| 15 | 11 | 31 | Amend | 257.31.5.o |
| 16 | 28 | 35 | Amend | 99D.15.4.b |
| 17 | 9 | 36 | Amend | 99D.17 |
| 17 | 19 | 37 | New | 99D.27B |
| 22 | 44 | 42 | New | 34A.12 |

2 1 DIVISION I
 2 2 APPROPRIATIONS, DISTRIBUTIONS, TRANSFERS, AND EXPENDITURE
 2 3 AUTHORITY

2 4 Section 1. LIMITATIONS OF STANDING APPROPRIATIONS — FY
 2 5 2025-2026. Notwithstanding the standing appropriation in the
 2 6 following designated section for the fiscal year beginning July
 2 7 1, 2025, and ending June 30, 2026, the amount appropriated from
 2 8 the general fund of the state pursuant to that section for the
 2 9 following designated purpose shall not exceed the following
 2 10 amount:
 2 11 For payment of claims for nonpublic school pupil
 2 12 transportation under section 285.2:
 2 13 \$ 8,997,091
 2 14 If total approved claims for reimbursement for nonpublic
 2 15 school pupil transportation exceed the amount appropriated in
 2 16 accordance with this section, the department of education shall
 2 17 prorate the amount of each approved claim.

Limits the FY 2026 General Fund appropriation to the Department of Education (DE) for nonpublic school transportation to \$8,997,091. Requires the appropriation to be prorated if total school district claims exceed the appropriation.

DETAIL: This is no change in funding compared to estimated net FY 2025. This also represents a decrease of \$5,008,178 compared to the estimated standing unlimited appropriation of \$14,005,269 based on current law.

2 18 Sec. 2. INSTRUCTIONAL SUPPORT STATE AID — FY 2025-2026. In
 2 19 lieu of the appropriation provided in section 257.20,
 2 20 subsection 2, the appropriation for the fiscal year
 2 21 beginning July 1, 2025, and ending June 30, 2026, for paying
 2 22 instructional support state aid under section 257.20 for the
 2 23 fiscal year is zero.

Suspends the General Fund standing appropriation of \$14,800,000 for the Instructional Support Program for FY 2026.

DETAIL: Although no State funding will be provided for the Instructional Support Program, school districts may use local property tax and income surtax to fund their portion of the Program. In FY 2024, 325 school districts implemented the Program and generated \$271,739,661 in local taxes (\$97,879,349 in income surtax and \$173,860,312 in property taxes). This Program has not been funded by the State since FY 2006.

2 24 Sec. 3. SPECIAL FUNDS — SALARY ADJUSTMENTS — FY
 2 25 2025-2026. For the fiscal year beginning July 1, 2025, and
 2 26 ending June 30, 2026, salary adjustments otherwise provided
 2 27 may be funded as determined by the department of management,
 2 28 subject to any applicable constitutional limitation, using
 2 29 unappropriated moneys remaining in the commerce revolving
 2 30 fund, the gaming enforcement revolving fund, the gaming
 2 31 regulatory revolving fund, the primary road fund, the road
 2 32 use tax fund, the fish and game protection fund, and the Iowa
 2 33 public employees' retirement fund, and in other departmental
 2 34 revolving, trust, or special funds for which the general

Permits salary adjustments to be funded from non-General Fund moneys remaining in various revolving, trust, or special funds for FY 2026 for which the General Assembly has not established an operating budget.

2 35 assembly has not made an operating budget appropriation.

3 1 Sec. 4. IOWA ECONOMIC EMERGENCY FUND EXCESS — USE FOR
 3 2 FOUNDATION AID. Of the excess moneys transferred to the
 3 3 general fund of the state under section 8.55, subsection 2,
 3 4 paragraph “b”, for the fiscal year beginning July 1, 2024,
 3 5 \$21,881,303 shall be used in lieu of a like amount of other
 3 6 general fund moneys to pay foundation aid under chapter 257,
 3 7 as described in section 257.16, for the fiscal year beginning
 3 8 July 1, 2025. This section is based on the application of
 3 9 assessment limitations calculated under section 441.21 due to
 3 10 the enactment of 2023 Iowa Acts, chapter 5.

Transfers \$21,881,303 from excess Economic Emergency Fund moneys to the General Fund in FY 2025 to replace an equal amount of other General Fund moneys to pay FY 2026 State school foundation aid as described in Iowa Code section [257.16](#).

DETAIL: This is no change in the funding amount compared to the combined \$8,000,000 FY 2025 transfer from the Economic Emergency Fund and \$13,881,303 FY 2025 transfer from the Taxpayer Relief Fund to the General Fund to replace an equal amount of other General Fund moneys to pay FY 2026 State school foundation aid.

3 11 Sec. 5. Section 257.35, subsection 2, Code 2025, is amended
 3 12 to read as follows:

Reduces State aid to school districts by \$7,500,000 for FY 2026 and each succeeding year.

3 13 ~~2. Notwithstanding the deduction and payment under~~
 3 14 ~~subsection 1, the~~ The amounts specified for school districts
 3 15 ~~and area education agencies in subsection 1, paragraph “a”~~
 3 16 ~~section 257.10, subsection 7,~~ for the fiscal year beginning
 3 17 July 1, ~~2024~~ 2025, and each succeeding fiscal year, shall be
 3 18 reduced by the department of management by seven million five
 3 19 hundred thousand dollars. The department of management shall
 3 20 calculate a state aid reduction such that such amounts shall
 3 21 be reduced proportionally to the amount that the district or
 3 22 ~~agency~~ would otherwise have received under this section if the
 3 23 ~~reduction imposed pursuant to this subsection did not apply~~
 3 24 257.10, subsection 7.

DETAIL: Iowa Code section [257.35](#)(2) includes an annual statutory deduction of \$7,500,000 to school districts and Area Education Agencies (AEAs).

3 25 Sec. 6. Section 257.35, Code 2025, is amended by adding the
 3 26 following new subsections:
 3 27 NEW SUBSECTION 19A. In addition to the state aid reduction
 3 28 applicable pursuant to subsection 2, the state aid portion of
 3 29 the amounts specified for school districts in section 257.10,
 3 30 subsection 7, for the fiscal year beginning July 1, 2025, and
 3 31 ending June 30, 2026, shall be reduced by the department of
 3 32 management by twenty-five million dollars. The reductions
 3 33 for each district shall be prorated based on the proportional
 3 34 reduction that the district receives under subsection 2.

CODE: Requires the Department of Management (DOM) to reduce the General Fund standing unlimited FY 2026 State school aid funding specified in Iowa Code section 257.35 to school districts by \$25,000,000. The reductions for each school district will be prorated based on the proportional amount the school district would otherwise have received.

DETAIL: In addition to the \$25,000,000 State aid reduction for FY 2026, the school districts have an annual statutory reduction of \$7,500,000, as specified in Iowa Code section 257.35(2). The State aid reduction to school districts will total \$32,500,000 for FY 2026.

3 35 NEW SUBSECTION 19B. The director of the department of
 4 1 management may deduct the following from the state aid due to

CODE: Permits the DOM to deduct General Fund standing unlimited State school aid funding due each school district for media and

4 2 each school district pursuant to this chapter and shall pay the
 4 3 amounts to the respective area education agencies on a monthly
 4 4 basis from September 15 through June 15 during each school year
 4 5 for purposes of providing services to students enrolled in
 4 6 nonpublic schools within the boundaries of the area education
 4 7 agency:

4 8 a. The amount calculated for media services for the school
 4 9 district that is attributable to the number of students
 4 10 enrolled in nonpublic schools within the school district who
 4 11 are provided with media services by an area education agency.

4 12 b. The amount calculated for educational services for the
 4 13 school district that is attributable to the number of students
 4 14 enrolled in nonpublic schools within the school district who
 4 15 are provided with educational services by an area education
 4 16 agency.

4 17 DIVISION II

4 18 CORRECTIVE PROVISIONS

4 19 Sec. 7. Section 29D.4, subsection 2, paragraph b, as enacted
 4 20 by 2025 Iowa Acts, Senate File 619, section 8, is amended to
 4 21 read as follows:

4 22 b. Moneys in the fund are appropriated to the department to
 4 23 provide loans to eligible entities pursuant to section ~~29D.9~~
 4 24 29D.8, and for administration of the program as permitted
 4 25 under the STORM Act. Moneys in the fund shall not be used to
 4 26 provide a loan to a private entity for the acquisition of real
 4 27 property. Moneys in the fund shall not be considered part of
 4 28 the general fund of the state subject to appropriation for any
 4 29 other purpose by the general assembly, and in determining a
 4 30 general fund balance, shall not be included in the general fund
 4 31 of the state subject to section 16.31, insofar as section 16.31
 4 32 complies with the STORM Act.

4 33 Sec. 8. Section 144E.3, Code 2025, as amended by 2025 Iowa
 4 34 Acts, Senate File 233, section 2, if enacted, is amended to
 4 35 read as follows:

5 1 144E.3 MANUFACTURER AND ELIGIBLE FACILITY RIGHTS.

5 2 1. A manufacturer of an investigational drug, biological
 5 3 product, or device or a manufacturer operating within,
 5 4 and in compliance with all requirements applicable to, an
 5 5 eligible facility may make available, and an eligible patient,

education services attributable to the number of pupils enrolled in nonpublic schools within the school district and requires the DOM to pay the amounts to the AEA that provides the services to the pupils, on a monthly basis from September 15 through June 15 during each school year.

FISCAL IMPACT: The reallocation of the funding will have no net impact on General Fund expenditures. However, an estimated total of \$4,959,304 from the General Fund will be reallocated from 275 school districts to AEAs on an annual basis, beginning with FY 2026.

Adopts corrective provisions related to 2025 Iowa Acts, [Senate File 619](#) (Disaster Recovery Housing Assistance Act), in Section 8 of the Act.

DETAIL: The Act was approved by the General Assembly on April 17, 2025, and signed by the Governor on April 22, 2025.

Adopts corrective provisions related to 2025 Iowa Acts, [Senate File 233](#) (Terminally Ill Persons, Experimental Treatment Act), in Section 2 of the Act.

DETAIL: The Act was approved by the General Assembly on April 22, 2025, and signed by the Governor on May 19, 2025.

5 6 as applicable under section ~~144E.1~~ 144E.2, subsection 2,
5 7 paragraph “a” or “b”, may request from a manufacturer of
5 8 an investigational drug, biological product, or device,
5 9 or a manufacturer operating within, and in compliance with
5 10 all requirements applicable to, an eligible facility, the
5 11 manufacturer’s investigational drug, biological product, or
5 12 device, or the manufacturer’s individualized investigational
5 13 treatment under this chapter. This chapter does not require a
5 14 manufacturer of an investigational drug, biological product,
5 15 or device, or of an individualized investigational treatment
5 16 to provide or otherwise make available the investigational
5 17 drug, biological product, or device, or the individualized
5 18 investigational treatment to an eligible patient.

5 19 2. An eligible facility, or a manufacturer described
5 20 in subsection 1, that is in compliance with all applicable
5 21 requirements, may do any of the following:

5 22 a. Provide an investigational drug, biological product,
5 23 or device, or an individualized investigational treatment
5 24 to an eligible patient, as applicable under section ~~144E.1~~
5 25 144E.2, subsection 2, paragraph “a” or “b”, without receiving
5 26 compensation.

5 27 b. Require an eligible patient, as applicable under section
5 28 ~~144E.1~~ 144E.2, subsection 2, paragraph “a” or “b”, to pay the
5 29 costs of, or the costs associated with, the manufacture of the
5 30 investigational drug, biological product, or device, or the
5 31 individualized investigational treatment.

5 32 Sec. 9. Section 237.10, subsection 1, paragraph d, if
5 33 enacted by 2025 Iowa Acts, House File 644, section 3, is
5 34 amended to read as follows:

5 35 d. (1) The department shall notify an individual licensee,
6 1 and the parents or guardians of a child, if the department
6 2 delegates the department’s right to consent to emergency
6 3 medical care and routine medical care on behalf of the child
6 4 under section 232.2, subsection 12, paragraph “c”, to the
6 5 individual licensee.

6 6 (2) The department shall notify the department of
6 7 education, an individual licensee, and the parents or guardians
6 8 of a child if the department delegates the department’s right
6 9 to consent to participation in an individualized education
6 10 program on behalf of the child under section 232.2, subsection
6 11 12, paragraph “c”, to the individual licensee.

Adopts corrective provisions related to 2025 Iowa Acts, [House File 644](#)
(Foster Parent Consent Bill), in Section 3 of the Bill, if enacted.

DETAIL: The Bill was approved by the General Assembly on April 24,
2025.

6 12 Sec. 10. Section 237.10, subsection 1, paragraph d, if
 6 13 enacted by 2025 Iowa Acts, House File 644, section 7, is
 6 14 amended to read as follows:

6 15 d. (1) The department shall notify an individual licensee
 6 16 or an approved kinship caregiver, and the parents or guardians
 6 17 of a child, if the department delegates the department's right
 6 18 to consent to emergency medical care and routine medical care
 6 19 on behalf of the child under section 232.2, subsection 12,
 6 20 paragraph "c", to the individual licensee or approved kinship
 6 21 caregiver.

6 22 (2) The department shall notify the department of
 6 23 education, an individual licensee or an approved kinship
 6 24 caregiver, and the parents or guardians of a child, if the
 6 25 department delegates the department's right to consent to
 6 26 participation in an individualized education program on behalf
 6 27 of the child under section 232.2, subsection 12, paragraph "c",
 6 28 to the individual licensee or approved kinship caregiver.

6 29 Sec. 11. Section 256.9, subsection 69, as enacted by 2025
 6 30 Iowa Acts, House File 782, section 1, is amended to read as
 6 31 follows:

6 32 69. On or before May 1, 2025, develop and distribute
 6 33 to school districts, accredited nonpublic schools, charter
 6 34 schools, and innovation zone schools model policies that,
 6 35 if adopted, would satisfy ~~the a school district's, charter~~
 7 1 ~~school's, or innovation zone school's~~ responsibilities under
 7 2 section 279.87 relating to policies governing student use of
 7 3 personal electronic devices.

7 4 Sec. 12. Section 280.36, subsection 1, as enacted by 2025
 7 5 Iowa Acts, Senate File 583, section 4, is amended to read as
 7 6 follows:

7 7 1. The board of directors of each school district and the
 7 8 authorities in charge of each accredited nonpublic school may
 7 9 establish a multidisciplinary school safety assessment team.
 7 10 If established, the multidisciplinary school safety assessment
 7 11 team shall coordinate resources and assess and intervene
 7 12 when a student enrolled in the school district or accredited
 7 13 nonpublic school exhibits behavior that may pose a threat to
 7 14 the safety of the school district or accredited nonpublic
 7 15 school, employees of the school district or accredited

Adopts corrective provisions related to 2025 Iowa Acts, [House File 644](#)
 (Foster Parent Consent Bill), in Section 7 of the Bill, if enacted.

DETAIL: The Bill was approved by the General Assembly on April 24,
 2025.

Adopts corrective provisions related to 2025 Iowa Acts, [House File 782](#)
 (Electronic Devices in Schools Act), in Section 1 of the Act.

DETAIL: The Act was approved by the General Assembly on April 8,
 2025, and signed by the Governor on April 30, 2025.

Adopts corrective provisions related to 2025 Iowa Acts, [Senate File
 583](#) (School Districts, Threat Assessment Teams and Information
 Sharing Act), in Section 4 of the Act.

DETAIL: The Act was approved by the General Assembly on April 21,
 2025, and signed by the Governor on May 6, 2025.

7 16 nonpublic school, or other ~~student~~ students enrolled in the
7 17 school district or accredited nonpublic school.

7 18 Sec. 13. Section 299.1D, subsection 1, paragraph f, if
7 19 enacted by 2025 Iowa Acts, House File 870, section 2, is
7 20 amended to read as follows:

7 21 f. The school district or accredited nonpublic school
7 22 must not expend any moneys related to the course in religious
7 23 instruction, not including de minimis administrative costs
7 24 associated with processing notifications received under
7 25 ~~subsection 1~~ paragraph "a" and tracking the child's attendance
7 26 to ensure compliance with this section.

Adopts corrective provisions related to 2025 Iowa Acts, [House File 870](#) (Public School Students, Excusal for Religious Instruction Bill), in Section 2 of the Bill, if enacted.

DETAIL: The Bill was approved by the General Assembly on April 15, 2025.

7 27 Sec. 14. Section 404A.3, subsection 3, paragraph b,
7 28 subparagraph (5), subparagraph division (c), if enacted by 2025
7 29 Iowa Acts, House File 975, section 19, is amended to read as
7 30 follows:

7 31 (c) Upon application of the eligible taxpayer made prior
7 32 to the expiration of an extension under subparagraph division
7 33 (b), the authority may, at the discretion of the authority,
7 34 extend the date by which the qualified rehabilitation project
7 35 must be complete up to an additional twelve consecutive months.
8 1 The qualified eligible taxpayer must substantiate to the
8 2 satisfaction of the authority that the requested extension is
8 3 warranted due to extenuating circumstances outside the control
8 4 of the eligible taxpayer.

Adopts corrective provisions related to 2025 Iowa Acts, [House File 975](#) (Economic Development Authority and Finance Authority, Programs and Duties Bill), in Section 19 of the Bill, if enacted.

DETAIL: The Bill was approved by the General Assembly on May 12, 2025.

8 5 Sec. 15. Section 510B.8E, subsection 3, unnumbered
8 6 paragraph 1, if enacted by 2025 Iowa Acts, Senate File 383,
8 7 section 7, is amended to read as follows:

8 8 The pharmacy benefits ~~manger~~ manager shall respond to an
8 9 appeal within seven business days after the date on which the
8 10 pharmacy benefits manager receives the appeal.

Adopts corrective provisions related to 2025 Iowa Acts, [Senate File 383](#) (Regulation of Pharmacy Benefit Managers Bill), in Section 7 of the Bill, if enacted.

DETAIL: The Bill approved by the General Assembly on May 12, 2025.

8 11 Sec. 16. Section 514F.8, subsection 1A, paragraph c,
8 12 subparagraph (8), if enacted by 2025 Iowa Acts, House File 303,
8 13 section 1, is amended to read as follows:

8 14 (8) The average and median time that elapsed between the
8 15 submission of a nonurgent prior authorization request and a
8 16 determination by the utilization review organization for the
8 17 ~~urgent nonurgent~~ prior authorization request, aggregated for
8 18 all health care services or items.

Adopts corrective provisions related to 2025 Iowa Acts, [House File 303](#) (Prior Authorizations and Exemptions Bill), in Section 1 of the Bill, if enacted.

DETAIL: The Bill was approved by the General Assembly on April 22, 2025.

8 19 Sec. 17. Section 522F.4, subsection 2, as enacted by 2025
8 20 Iowa Acts, Senate File 619, section 59, is amended to read as
8 21 follows:

8 22 2. ~~Any~~ The fee for a criminal history check shall be
8 23 the same as any applicable fee for a criminal history check
8 24 pursuant to section 522B.5A.

Adopts corrective provisions related to 2025 Iowa Acts, [Senate File 619](#) (Disaster Recovery Housing Assistance Act), in Section 59 of the Act.

DETAIL: The Act was approved by the General Assembly on April 17, 2025, and signed by the Governor on April 22, 2025.

8 25 Sec. 18. Section 522F.9, subsection 2, as enacted by 2025
8 26 Iowa Acts, Senate File 619, section 64, is amended to read as
8 27 follows:

8 28 2. ~~Any~~ The fee for a criminal history check shall be
8 29 the same as any applicable fee for a criminal history check
8 30 pursuant to section 522B.5A.

Adopts corrective provisions related to 2025 Iowa Acts, [Senate File 619](#) (Disaster Recovery Housing Assistance Act), in Section 64 of the Act.

DETAIL: The Act was approved by the General Assembly on April 17, 2025, and signed by the Governor on April 22, 2025.

8 31 Sec. 19. CODE EDITOR DIRECTIVE. 2025 Iowa Acts, Senate File
8 32 619, section 29, amends section 515.137A, subsections 3, 4, and
8 33 5, Code 2025, by striking the subsections and inserting in lieu
8 34 thereof new subsections 3, 4, and 5, and, notwithstanding the
8 35 Acts section lead-in, adds new subsections 6, 7, 8, 9, and 10.
9 1 The Code editor is directed to codify 2025 Iowa Acts, Senate
9 2 File 619, section 29, by striking section 515.137A, subsections
9 3 3, 4, and 5, Code 2025, and inserting in lieu thereof new
9 4 subsections 3, 4, and 5, and then by amending section 515.137A,
9 5 Code 2025, by adding new subsections 6, 7, 8, 9, and 10.

Directs the Iowa Code Editor to make changes to the Iowa Code to correspond with changes made by the Bill.

9 6 Sec. 20. EFFECTIVE DATE. The following, being deemed of
9 7 immediate importance, takes effect upon enactment:
9 8 The section of this division of this Act amending section
9 9 256.9, subsection 69, as enacted by 2025 Iowa Acts, House File
9 10 782, section 1.

Specifies that Section 11 of the Bill, which adopts corrective provisions to Iowa Acts, [House File 782](#) (Electronic Devices in Schools Act), in Section 1, is effective on April 30, 2025.

DETAIL: The Act was approved by the General Assembly on April 8, 2025, and signed by the Governor on April 30, 2025.

9 11 Sec. 21. RETROACTIVE APPLICABILITY. The following applies
9 12 retroactively to April 30, 2025:
9 13 The section of this division of this Act amending section
9 14 256.9, subsection 69, as enacted by 2025 Iowa Acts, House File
9 15 782, section 1.

Specifies that Section 11 of the Bill, which adopts corrective provisions to Iowa Acts, House File 782 (Electronic Devices in Schools Act), in Section 1, is applicable retroactively to April 30, 2025, the effective date of House File 782.

DETAIL: The Act was approved by the General Assembly on April 8, 2025, and signed by the Governor on April 30, 2025.

9 16 DIVISION III

9 17 CRYSTALLINE POLYMORPH PSILOCYBIN

9 18 Sec. 22. Section 124.201, subsection 5, if enacted by 2025
 9 19 Iowa Acts, House File 383, section 1, is amended to read as
 9 20 follows:

9 21 5. a. Notwithstanding section 124.204, subsection 4, a drug
 9 22 that contains the pharmaceutical composition of crystalline
 9 23 polymorph psilocybin, ~~also known as COMP 360, or any other~~
 9 24 ~~trade name approved by the United States food and drug~~
 9 25 ~~administration~~, shall be immediately removed from schedule I
 9 26 under section 124.204, subsection 4, paragraph "s", upon its
 9 27 approval by the United States food and drug administration and
 9 28 rescheduled based upon the recommendations of the United States
 9 29 food and drug administration and its listing in the federal
 9 30 Controlled Substances Act, 21 U.S.C.§812, and 21 C.F.R.
 9 31 §1308.14.

9 32 b. Immediately upon the rescheduling of the drug under
 9 33 paragraph "a", it shall be lawful to prescribe, distribute, and
 9 34 market the pharmaceutical composition of crystalline polymorph
 9 35 psilocybin, ~~also known as COMP 360, or any other trade name~~
 10 1 ~~approved by the United States food and drug administration.~~

10 2 DIVISION IV

10 3 MEDICAL RESIDENCY AND FELLOWSHIP POSITIONS — RESIDENTS OF IOWA

10 4 Sec. 23. Section 262.9, subsection 39, paragraph e,
 10 5 subparagraph (2), if enacted by 2025 Iowa Acts, House File 516,
 10 6 section 1, is amended to read as follows:

10 7 (2) An individual who has lived in Iowa for at least four
 10 8 consecutive years immediately preceding the date the individual
 10 9 ~~applies for admission to~~ begins classes at the college of
 10 10 medicine in the doctor of medicine program or the college of
 10 11 dentistry at the state university of Iowa, or for begins a
 10 12 residency at the university of Iowa hospitals and clinics.

CODE: Removes references to a trade name in Iowa Acts, [House File 383](#) (Controlled Substances, Psilocybin Bill), if enacted.

DETAIL: The Bill was approved by the General Assembly on April 16, 2025.

CODE: Changes the definition of "resident of Iowa" related to [HF 516](#) (Residency Enrollment Requirements, Medical and Dental Schools Bill).

DETAIL: Changes the definition of "resident of Iowa" from an individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual applies for admission to the College of Medicine in the Doctor of Medicine Program or the College of Dentistry at the University of Iowa (UI) to an individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual begins classes at the College of Medicine in the Doctor of Medicine program or the College of Dentistry at UI.

Changes the definition of "resident of Iowa" from an individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual applies for residency at the UI Hospitals and Clinics to an individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual

begins a residency at the UI Hospitals and Clinics.

NOTE: The Bill was approved by the General Assembly on April 22, 2025.

10 13 DIVISION V

10 14 STATE MEMBERSHIP — REINSURANCE ASSOCIATION

10 15 Sec. 24. Section 513C.10, subsection 1, paragraph a, Code
10 16 2025, is amended to read as follows:

10 17 a. All persons that provide health benefit plans in this
10 18 state including insurers providing accident and sickness
10 19 insurance under chapter 509, 514, or 514A, whether on an
10 20 individual or group basis; fraternal benefit societies
10 21 providing hospital, medical, or nursing benefits under chapter
10 22 512B; and health maintenance organizations, other entities
10 23 providing health insurance or health benefits subject to state
10 24 insurance regulation, and all other insurers as designated
10 25 by the board of directors of the Iowa comprehensive health
10 26 insurance association with the approval of the commissioner
10 27 shall be members of the association. However, the state,
10 28 including a department, an independent agency, the state board
10 29 of regents, and an institution under the control of the state
10 30 board of regents, shall not be a member of the association.

CODE: Prohibits the State, including departments, independent agencies, the State Board of Regents, and institutions under the control of the State Board of Regents, from becoming a member of a health benefit reinsurance association.

10 31 Sec. 25. EFFECTIVE DATE. This division of this Act, being
10 32 deemed of immediate importance, takes effect upon enactment.

Specifies that Division V of the Bill related to health benefit reinsurance association membership is effective upon enactment.

10 33 Sec. 26. RETROACTIVE APPLICABILITY. This division of this
10 34 Act applies retroactively to January 1, 2020.

Specifies that Division V of the Bill related to health benefit reinsurance association membership is retroactively applicable to January 1, 2020.

10 35 DIVISION VI

11 1 STUDENT ABUSE INVOLVING A SCHOOL EMPLOYEE — DEPARTMENT OF
11 2 HEALTH AND HUMAN SERVICES INVESTIGATIONS

11 3 Sec. 27. NEW SECTION 232E.1 DEFINITIONS.

11 4 As used in this chapter, unless the context otherwise
11 5 requires:

11 6 1. "Board of educational examiners" means the board created
11 7 in section 256.146.

11 8 2. "Department" means the department of health and human

CODE: Provides definitions related to abuse of students by a school employee.

11 9 services.

11 10 3. "Investigation" means the process by which the department
11 11 responds to all accepted reports of alleged student abuse.

11 12 4. "Nonpublic school" means the same as defined in section
11 13 280.2.

11 14 5. "Public school" means the same as defined in section
11 15 280.2.

11 16 6. "Public school district" means a public school district
11 17 as described in chapter 274, and includes a charter school
11 18 under chapter 256E, or a charter school or an innovation zone
11 19 school under chapter 256F.

11 20 7. "School employee" means any of the following:

11 21 a. A person employed by a public school or a nonpublic
11 22 school.

11 23 b. A vendor, or an employee of a vendor, that provides goods
11 24 or services to a public school or a nonpublic school.

11 25 c. An agent, or an employee of an agent, of a public school
11 26 or a nonpublic school.

11 27 d. A volunteer under the direction and control of any of the
11 28 following:

11 29 (1) The board of directors or any administrator of a public
11 30 school district.

11 31 (2) The board or authorities in control of a nonpublic
11 32 school.

11 33 (3) The board of directors or administrator of an agency
11 34 called upon by a school official to provide services to
11 35 students in an educational capacity.

12 1 8. "Student" means a person enrolled in a public school,
12 2 a nonpublic school, or a prekindergarten program in a public
12 3 school or a nonpublic school.

12 4 9. "Student abuse" means any of the following which occur on
12 5 school grounds during school time, or on or at a school-related
12 6 curricular or extracurricular activity:

12 7 a. Any nonaccidental physical injury, or an injury which
12 8 does not match the history provided for how the injury
12 9 occurred, suffered by a student as the result of an act or
12 10 omission of a school employee, that is not otherwise excluded
12 11 by section 280.21, subsection 2.

12 12 b. The commission of a sexual offense under chapter 709,
12 13 section 726.2, or section 728.12, subsection 1, with or to a
12 14 student as a result of an act or omission of a school employee.

12 15 c. An act or omission of a school employee which allows,
 12 16 permits, or encourages a student to engage in an act prohibited
 12 17 under section 725.1.

12 18 Sec. 28. NEW SECTION 232E.2 INVESTIGATION OF ALLEGED
 12 19 STUDENT ABUSE BY SCHOOL EMPLOYEES — RULES.

12 20 1. The department shall administer this chapter to provide
 12 21 for the investigation of reports of alleged student abuse by
 12 22 school employees as specified in this chapter.

CODE: Requires the Department of Health and Human Services (HHS) to administer and provide for the investigation of reports of alleged student abuse by school employees.

FISCAL IMPACT: Requiring HHS to administer and provide for the investigation of reports of alleged student abuse by school employees will increase costs to HHS by approximately \$755,000 in FY 2026 and approximately \$656,000 in FY 2027 as detailed in the [Fiscal Note](#) for [HF 389](#) (Child Abuse at Schools, Investigating Authority Bill).

12 23 2. a. If, during the child abuse intake process under
 12 24 chapter 232, subchapter III, part 2, the department receives
 12 25 a report from an identifiable source and the department
 12 26 determines the report constitutes an allegation of student
 12 27 abuse involving a school employee, the department shall notify
 12 28 the board of directors of the public school district or the
 12 29 authorities in charge of the nonpublic school associated with
 12 30 the school employee, and the board of educational examiners, of
 12 31 the determination.

CODE: Requires the HHS to notify the board of directors of a public school district (board), or the authority in charge of a nonpublic school (authority), and the Board of Educational Examiners (BOEE) if, during a child abuse intake, the HHS receives a report from an identifiable source and the HHS determines the report constitutes an allegation of student abuse involving a school employee.

12 32 b. Upon notification under paragraph “a”, the board of
 12 33 directors of the public school district or the authorities in
 12 34 charge of the nonpublic school shall place the school employee
 12 35 on administrative leave and shall prohibit the school employee
 13 1 from entering school property until the investigation is
 13 2 completed.

CODE: Requires each board and authority to place an employee on administrative leave and prohibit the employee from entering school property if the employee is the subject of an ongoing student abuse investigation.

13 3 3. If the department determines the alleged student abuse
 13 4 constitutes a criminal act, the department shall do all of the
 13 5 following:

13 6 a. Immediately refer the matter to, and jointly investigate
 13 7 the matter with, the appropriate law enforcement agency.

13 8 b. Notify the board of directors of the public school
 13 9 district, or the authorities in charge of the nonpublic school,
 13 10 associated with the school employee of the referral under
 13 11 paragraph “a”.

13 12 c. If the school employee is licensed, certified, or
 13 13 authorized by the board of educational examiners, or holds

CODE: Requires the HHS to refer the matter to, and cooperate with, the appropriate law enforcement agency; notify the board or authority; and notify the BOEE if the school employee is licensed, certified, or authorized by the BOEE, or holds an active statement of recognition issued by the BOEE, if the HHS determines the alleged student abuse constitutes a criminal act.

13 14 an active statement of recognition issued by the board of
 13 15 educational examiners, notify the board of educational
 13 16 examiners of the referral under paragraph “a”.

13 17 4. Following receipt of a report of alleged student abuse,
 13 18 the department shall do all of the following:
 13 19 a. Commence an investigation within twenty-four hours of
 13 20 receipt of the report.
 13 21 b. Complete the investigation within thirty business days of
 13 22 receipt of the report.

CODE: Requires the HHS to commence an investigation within 24 hours, and complete the investigation within 30 business days, of receiving a report of alleged student abuse.

13 23 5. Upon completion of an investigation, the department
 13 24 shall submit a written investigation report to all of the
 13 25 following:
 13 26 a. The board of directors of the public school district, or
 13 27 the authorities in charge of the nonpublic school, associated
 13 28 with the school employee subject to the investigation.
 13 29 b. The board of educational examiners if the school
 13 30 employee subject to the investigation is licensed, certified,
 13 31 or authorized by the board of educational examiners, or holds
 13 32 an active statement of recognition issued by the board of
 13 33 educational examiners.

CODE: Requires the HHS to submit a written investigation report to the board or authority, and the BOEE if the school employee subject to the investigation is licensed, certified, or authorized by the BOEE, or holds an active statement of recognition issued by the BOEE, upon completion of an investigation.

13 34 6. The department shall adopt rules pursuant to chapter
 13 35 17A, in consultation with the department of education, to
 14 1 administer this chapter. Rules adopted by the department shall
 14 2 include rules regarding the intake and investigation processes,
 14 3 investigation reports, case and investigation record retention
 14 4 and dissemination, and case disposition.

CODE: Requires the HHS to adopt administrative rules, in consultation with the DE, regarding the intake and investigation processes, investigation reports, case and investigation record retention and dissemination, and case disposition.

14 5 7. The department shall maintain information and data
 14 6 regarding student abuse reports, investigations, and
 14 7 dispositions under this chapter separately from information
 14 8 and data regarding child abuse reports, assessments, and
 14 9 dispositions under chapter 232.

CODE: Requires the HHS to maintain information and data regarding student abuse reports, investigations, and dispositions separately from information and data regarding child abuse reports, assessments, and dispositions under Iowa Code chapter [232](#).

14 10 DIVISION VII
 14 11 STUDENT ABUSE INVOLVING A SCHOOL EMPLOYEE — DEPARTMENT OF
 14 12 EDUCATION

14 13 Sec. 29. Section 280.17, Code 2025, is amended by striking
 14 14 the section and inserting in lieu thereof the following:

CODE: Requires a school district or nonpublic school to cooperate with the HHS during an investigation of student abuse involving a

| | |
|--|---|
| 14 15 280.17 STUDENT ABUSE INVESTIGATIONS — TERMINATION OF 14 16 EMPLOYMENT. | school employee. |
| 14 17 1. The board of directors of a public school district and 14 18 the authorities in charge of a nonpublic school shall comply 14 19 with chapter 232E, and shall cooperate with the department of 14 20 health and human services during an investigation commenced 14 21 under chapter 232E. | |
| 14 22 2. The board of directors of a public school or the 14 23 authorities in charge of a nonpublic school shall terminate the 14 24 employment of a school employee if the board of directors or 14 25 authorities in charge receive a written investigation report 14 26 under section 232E.2, subsection 5, indicating the department 14 27 of health and human services has determined the school employee 14 28 committed student abuse. | CODE: Requires a school district or nonpublic school to terminate the employment of a school employee if an HHS investigation report indicates the school employee committed student abuse. |
| 14 29 3. The department of education, in consultation with the 14 30 department of health and human services, shall adopt rules 14 31 pursuant to chapter 17A, and a model policy, for the handling 14 32 of investigations pursuant to chapter 232E. | CODE: Requires the DE, in consultation with the HHS, to adopt administrative rules and a model policy for handling investigations. |
| 14 33 Sec. 30. Section 321.375, subsection 3, paragraph d, Code 14 34 2025, is amended to read as follows: | CODE: Corrects a reference to student abuse as defined in this Bill. |
| 14 35 d. The commission of or conviction for a public offense as 15 1 defined by the Iowa criminal code, if the offense is relevant 15 2 to and affects driving ability, or if the offense includes 15 3 sexual involvement with a minor student with the intent to 15 4 commit acts and practices proscribed under sections 709.2 15 5 through 709.4, section 709.8, and sections 725.1 through 725.3, 15 6 or is a violation of the rules of the department of education 15 7 adopted to implement section 280.17 <u>student abuse as defined</u> 15 8 <u>in section 232E.1.</u> | |
| 15 9 DIVISION VIII 15 10 SCHOOL BUDGETS — MODIFIED SUPPLEMENTAL AMOUNTS | |
| 15 11 Sec. 31. Section 257.31, subsection 5, paragraph o, Code 15 12 2025, is amended to read as follows: | |
| 15 13 o. (1) The percentage of students enrolled in the school 15 14 district as the result of open enrollment under section 15 15 282.18 is equal to or greater than forty-five percent of the 15 16 total number of students enrolled in the school district. | CODE: Reduces the amount of a modified supplemental amount (MSA) that could be granted by 50.00% of the net change in the teacher salary supplement district cost per pupil resulting from open enrollment, extends the School Budget Review Committee's (SBRC's) authority to grant a school district an MSA related to open enrollment for fiscal years beyond FY 2025, and makes conforming changes. |

15 17 The committee shall not approve supplemental aid or a
 15 18 modified supplemental amount that exceeds an amount equal
 15 19 to fifty percent of the product of the net change in the
 15 20 school district's expected enrollment due to open enrollment
 15 21 multiplied by the sum of the following amounts:

15 22 (a) The difference between the district's regular program
 15 23 district cost per pupil minus the regular program state cost
 15 24 per pupil.

15 25 ~~(b) The teacher salary supplement district cost per pupil.~~

15 26 ~~(c) (b) The professional development supplement district~~
 15 27 ~~cost per pupil.~~

15 28 ~~(d) (c) The early intervention supplement district cost per~~
 15 29 ~~pupil.~~

15 30 (2) Prior to filing a request for supplemental aid or a
 15 31 modified supplemental amount based on the grounds specified
 15 32 in this paragraph, the board of directors shall hold a public
 15 33 hearing on the issue and shall publish the notice of the time
 15 34 and place of the public hearing. Notice of the time and place
 15 35 of the public hearing shall be published not less than ten nor
 16 1 more than twenty days before the public hearing in a newspaper
 16 2 that is a newspaper of general circulation in the school
 16 3 district.

16 4 (3) A school district is not eligible for supplemental aid
 16 5 or a modified supplemental amount under this paragraph if a
 16 6 majority of the students enrolled in the school district as
 16 7 the result of open enrollment are students receiving online
 16 8 instruction from a private provider under section 256.43,
 16 9 subsection 2.

16 10 ~~(4) A school district is only eligible for supplemental~~
 16 11 ~~aid or a modified supplemental amount under this paragraph for~~
 16 12 ~~the budget year beginning July 1, 2024. If a school district is~~
 16 13 ~~granted a modified supplemental amount under this paragraph for~~
 16 14 ~~a budget year beginning on or after July 1, 2025, the school~~
 16 15 ~~district's combined property tax rate per one thousand dollars~~
 16 16 ~~for all school district levies for the succeeding budget year~~
 16 17 ~~shall not exceed the combined property tax rate for all such~~
 16 18 ~~levies for the budget year for which the modified supplemental~~
 16 19 ~~amount was granted.~~

16 20 Sec. 32. REPEAL. 2024 Iowa Acts, chapter 1152, section 45,
 16 21 is repealed.

FISCAL IMPACT: Extending the authority of the SBRC to grant school districts an MSA related to open enrollment beyond FY 2025 will have an unknown fiscal impact on property taxes since it is unknown whether a school district would reduce a levy to allow for an increased levy related to an MSA.

CODE: Repeals 2024 Iowa Acts (FY 2025 Education Appropriations Act), chapter [1152](#), section 45, School Budget Review Committee Modified Supplemental Amount.

16 22 Sec. 33. EFFECTIVE DATE. This division of this Act, being
16 23 deemed of immediate importance, takes effect upon enactment.

Specifies that Division III of the Bill related to school budget MSAs is effective upon enactment.

16 24 Sec. 34. APPLICABILITY. This division of this Act applies
16 25 to school budget years beginning on or after July 1, 2025.

Specifies that Division III of the Bill related to school budget MSAs is applicable retroactively to school budget years beginning on or after July 1, 2025.

16 26 DIVISION IX
16 27 WAGERING TAXES

16 28 Sec. 35. Section 99D.15, subsection 4, paragraph b, Code
16 29 2025, is amended to read as follows:

16 30 b. If wagering on simultaneously telecast horse races and
16 31 dog races is conducted by a licensee under section 99D.9D,
16 32 a tax of two percent is imposed on the gross sum wagered by
16 33 the pari-mutuel method on horse races and dog races which
16 34 are simultaneously telecast in excess of twenty-five million
16 35 dollars in a calendar year. ~~Of the tax revenue collected~~
17 1 ~~from simulcast horse races under this paragraph, one-half of~~
17 2 ~~one percent of the gross sum wagered shall be remitted to~~
17 3 ~~the treasurer of the county in which a horse racetrack is~~
17 4 ~~located in this state and licensed under this chapter. The~~
17 5 tax revenue from simulcast horse races under this paragraph
17 6 shall be deposited in the Iowa horse racing fund created in
17 7 section 99D.27B. The remaining amount of tax revenue shall be
17 8 deposited with the commission.

CODE: Redirects the tax imposed on the gross sum wagered in excess of \$25,000,000 in a year on horse races that are simultaneously telecast by a licensee under Iowa Code section [99D.9D](#) to the Iowa Horse Racing Fund created in Section 37 of the Bill.

DETAIL: Currently, these taxes are split between the city and county in which the racetrack is located and State funds as described in Iowa Code section [8.57](#)(3). To date, the State has not collected any taxes under Iowa Code section [99D.15](#)(4)(b), as the annual wagers on simultaneous telecasting conducted by the licensee have been less than \$25,000,000.

17 9 Sec. 36. Section 99D.17, Code 2025, is amended to read as
17 10 follows:

17 11 99D.17 USE OF ~~FUNDS~~ MONEYS .
17 12 ~~Funds~~ Unless otherwise provided by section 99D.15 or another
17 13 provision of law, moneys received pursuant to sections 99D.14
17 14 and 99D.15 shall be deposited as provided in section 8.57,
17 15 subsection 3. These ~~funds~~ moneys shall first be used to the
17 16 extent appropriated by the general assembly. The commission
17 17 is subject to the budget requirements of chapter 8 and the
17 18 applicable auditing requirements and procedures of chapter 11.

CODE: Conforming change.

17 19 Sec. 37. NEW SECTION 99D.27B IOWA HORSE RACING FUND —
17 20 ADVANCE DEPOSIT WAGERING TAX.

CODE: Establishes an Iowa Horse Racing Fund to be used by the Iowa Racing and Gaming Commission (IRGC) for distribution to

17 21 1. An Iowa horse racing fund is created in the state
 17 22 treasury under the control of the commission.
 17 23 2. The fund shall consist of tax revenue collected and
 17 24 deposited in the fund pursuant to subsection 6 and section
 17 25 99D.15, subsection 4, and such other moneys appropriated to,
 17 26 transferred to, or deposited in the fund.
 17 27 3. a. Moneys in the fund are appropriated to the commission
 17 28 for distribution in a manner and in an amount as determined by
 17 29 the commission to individual entities or a recognized compact
 17 30 of entities tasked with the regulation of the horse racing
 17 31 industry in accordance with the federal Horseracing Integrity
 17 32 and Safety Act of 2020, 15 U.S.C.ch.57A.
 17 33 b. In the event that the federal Horseracing Integrity
 17 34 and Safety Act of 2020, 15 U.S.C.ch.57A, is repealed,
 17 35 moneys in the fund shall be transferred to the rebuild Iowa
 18 1 infrastructure fund created in section 8.57.
 18 2 4. Members of the commission and those acting on behalf of
 18 3 the commission assisting in the distribution of the moneys in
 18 4 the fund shall be held harmless against any claim of liability
 18 5 made by an individual or entity arising out of the distribution
 18 6 of the moneys from the fund by the commission.
 18 7 5. Section 8.33 does not apply to moneys in the fund.
 18 8 Notwithstanding section 12C.7, subsection 2, interest or
 18 9 earnings on moneys deposited in the fund shall be credited to
 18 10 the fund.
 18 11 6. A tax of two percent is imposed on the gross sum wagered
 18 12 by the pari-mutuel method as an advance deposit wager under
 18 13 section 99D.11, subsection 6, paragraph "c". The tax imposed
 18 14 under this subsection is in lieu of any tax imposed on such
 18 15 wagers under section 99D.15. The tax revenue generated under
 18 16 this subsection shall be deposited in the fund.

18 17 DIVISION X
 18 18 STATE FIRE MARSHAL STUDY

18 19 Sec. 38. STATE FIRE MARSHAL — COUNTYWIDE FIRE PROTECTION
 18 20 SERVICES STUDY.

18 21 1. The state fire marshal shall conduct a study of fire
 18 22 protection services in this state to analyze whether a
 18 23 structure of countywide fire protection services would maximize
 18 24 fire protection coverage and emergency response times. The
 18 25 study shall be conducted in consultation with representatives

entities tasked with federal horse racing regulations, and creates a 2.0% tax on the gross sum wagered by the pari-mutuel method as an advance deposit wager under Iowa Code section [99D.11\(6\)\(c\)](#) in lieu of the tax imposed on the same wagers under Iowa Code section 99D.15. This tax revenue is deposited into the Iowa Horse Racing Fund.

DETAIL: In accordance with Iowa Code section [99D.11\(6\)](#), the IRGC issues advance deposit wagering operator licenses to entities. Advance deposit wagering allows an individual to establish an account, deposit money into the account, and use the account balance to pay for pari-mutuel wagering. Advance deposit wagers may be conducted in person at a licensed racetrack enclosure or from any other location via other electronic means. There are currently four advance deposit wagering operators licensed in the State. These wagers are currently subject to Iowa Code section [99D.15\(4\)\(a\)](#), which imposes a 2.0% tax on the gross sum wagered on horse races and dog races that are simultaneously telecast if wagering is not conducted by a licensee under Iowa Code section [99D.9D](#). These wagers are deposited with the State through the gambling tax distributions in Iowa Code section [8.57\(3\)](#).

FISCAL IMPACT: In calendar year (CY) 2024, approximately \$521,000 was collected in taxes from simultaneous telecasting not conducted by an in-state licensee that was subject to the distributions under Iowa Code section 8.57(3). Of this \$521,000, \$455,000 was collected from licensed advance deposit wagering operators. For FY 2026 and after, the estimated deposit to the Iowa Horse Racing Fund is \$455,000 and the estimated corresponding decrease to the Rebuild Iowa Infrastructure Fund is \$455,000 due to the change in tax deposit location for advance deposit wagering on simulcast racing.

Requires the State Fire Marshal to conduct a study of the fire protection services in the State to analyze whether a structure of countywide fire protection services would maximize fire protection coverage and emergency response times. Stakeholders that are required to be consulted for the study are detailed in the Bill.

18 26 from the following stakeholders:
18 27 a. The department of homeland security and emergency
18 28 management.
18 29 b. The Iowa association of professional fire chiefs.
18 30 c. The Iowa fire chiefs' association.
18 31 d. The Iowa firefighters association.
18 32 e. The Iowa professional fire fighters.
18 33 f. The Iowa emergency management association.
18 34 g. At least one attorney licensed to practice law in this
18 35 state with experience representing entities associated with
19 1 fire protection services.
19 2 h. At least one representative from a city having a
19 3 population of thirty-seven thousand or more as determined by
19 4 the 2020 federal decennial census.
19 5 i. At least one representative from a city having a
19 6 population of less than five thousand as determined by the 2020
19 7 federal decennial census.
19 8 j. At least one representative from a county having a
19 9 population of ninety thousand or more as determined by the 2020
19 10 federal decennial census.
19 11 k. Four members of the general assembly serving as
19 12 ex officio, nonvoting members, one representative to be
19 13 appointed by the speaker of the house of representatives, one
19 14 representative to be appointed by the minority leader of the
19 15 house of representatives, one senator to be appointed by the
19 16 president of the senate after consultation with the majority
19 17 leader of the senate, and one senator to be appointed by the
19 18 minority leader of the senate.

19 19 2. The countywide fire protection services study shall
19 20 include all of the following:
19 21 a. A cost analysis for upfront and ongoing costs to provide
19 22 consolidated countywide fire protection services systems. The
19 23 analysis and recommendations shall include proposed funding
19 24 mechanisms and potential consolidated funding resources that
19 25 comply with local, state, and federal law. The analysis shall
19 26 also include the potential effects countywide fire protection
19 27 services could have on local authority expenditures and
19 28 budgets.
19 29 b. An analysis of current fire protection coverage
19 30 including current response times and recommendations for
19 31 placement of service stations to maximize fire protection

Requires the countywide fire protection services study to include the following:

- A cost analysis for up-front and ongoing costs to provide consolidated countywide fire protection services systems, including proposed funding mechanisms and potential consolidated funding resources that are in compliance with local, State, and federal law. The analysis is also required to include the potential effects countywide fire protection services could have on local authority expenditures and budgets.
- An analysis of current fire protection coverage, including current response times and recommendations for placement of service stations to maximize fire protection coverage and emergency

19 32 coverage and emergency response times in the most efficient and
19 33 cost-effective manner.

19 34 c. An analysis of current and future staffing needs
19 35 including a proposed employment structure for countywide
20 1 fire protection services that focuses on adequate employee
20 2 pay and volunteer staffing, including benefits, stipends, or
20 3 other compensation allowed in accordance with local, state, or
20 4 federal law.

20 5 d. An analysis of current fire protection services
20 6 equipment and future fire protection services equipment needs
20 7 including proposed placement of fire protection services
20 8 equipment in service stations to maximize fire protection
20 9 coverage and emergency response times.

20 10 e. An analysis of current communication and dispatch
20 11 challenges including proposed recommendations for more
20 12 efficient and effective communications.

20 13 f. An analysis of the need for city and township fire
20 14 protection services in relation to the implementation of a
20 15 countywide fire protection service.

20 16 g. An analysis of existing countywide fire protection
20 17 service programs in this state including outlining current
20 18 processes and procedures. The analysis under this paragraph
20 19 must include outlines of any current or proposed fire
20 20 protection service programs under chapter 28E, 357B, 357F,
20 21 357G, or 357J, and any other legal agreement, contract, or
20 22 consolidated effort, including as part of a district.

20 23 h. An analysis of countywide fire protection services in
20 24 other states, with an emphasis on midwest states, including an
20 25 analysis of those fire protection programs in comparison to the
20 26 fire protection needs of this state.

20 27 i. Recommendations for the implementation of countywide
20 28 fire protection services in this state including proposed
20 29 functionality and an emphasis on the potential impact of
20 30 implementation on the four most populous counties in this
20 31 state as determined by the 2020 federal decennial census,
20 32 along with surrounding counties if a multicounty approach to
20 33 fire protection services would be more beneficial based on the
20 34 study's findings.

20 35 3. The state fire marshal shall submit a report of the
21 1 study's findings to the general assembly on or before June 30,
21 2 2026.

response times in the most efficient and cost-effective manner.

- An analysis of current and future staffing needs, including a proposed employment structure for countywide fire protection services as detailed in the Bill.
- An analysis of current fire protection services equipment and future fire protection services equipment needs, including proposed placement of fire protection services equipment in service stations to maximize fire protection coverage and emergency response times.
- An analysis of current communication and dispatch challenges, including proposed recommendations for more efficient and effective communications.
- An analysis of the need for city and township fire protection services in relation to the implementation of a countywide fire protection service.
- An analysis of existing countywide protection service programs in the State, including outlining current processes and procedures.
- An analysis of countywide fire protection services in other states, with an emphasis on midwest states, including an analysis of those fire protection programs in comparison to the fire protection needs of Iowa.
- Recommendations for the implementation of countywide fire protection services in Iowa as detailed in the Bill.

Requires the State Fire Marshal to submit a report of the study's findings to the General Assembly by June 30, 2026.

21 3 Sec. 39. EFFECTIVE DATE. This division of this Act, being
21 4 deemed of immediate importance, takes effect upon enactment.

Specifies that Division X of the Bill, which requires the State Fire Marshal to conduct a countywide fire protection services study, is effective upon enactment.

21 5 DIVISION XI
21 6 INTERIM STUDIES

21 7 Sec. 40. INTERIM STUDY COMMITTEE — ALL-TERRAIN VEHICLES
21 8 AND OFF-ROAD UTILITY VEHICLES ON HIGHWAYS.

Requests the Legislative Council to establish an interim study committee during the 2025 Legislative interim to examine policy and recommend changes to the operation of all-terrain vehicles (ATVs) and off-road utility vehicles (UTVs).

21 9 1. The legislative council is requested to establish an
21 10 interim study committee to meet during the 2025 legislative
21 11 interim to examine policy matters and recommend statutory
21 12 changes relating to the operation of all-terrain vehicles
21 13 and off-road utility vehicles on highways, including but not
21 14 limited to the following:

DETAIL: Under Iowa Code chapter [3211](#), ATVs and UTVs that are operated on public land, public ice, a designated riding trail, or land purchased with ATV registration funds must be registered with the Department of Natural Resources (DNR). The registration fee is \$17.50, with \$2.50 going to the county in which the vehicle was registered. The moneys collected from the registrations are deposited into ATV Registration Fees Fund.

21 15 a. Requiring registration and a fee for all-terrain
21 16 vehicles and off-road utility vehicles to be operated on a
21 17 highway, other than the registration required for such vehicles
21 18 to be operated on public land, public ice, or a designated
21 19 riding trail of this state.

21 20 b. Consolidating Code provisions that regulate the
21 21 operation of all-terrain vehicles and off-road utility
21 22 vehicles.

21 23 2. The interim study committee shall consist of three
21 24 members of the senate, two of whom shall be appointed by
21 25 the majority leader of the senate and one of whom shall be
21 26 appointed by the minority leader of the senate, and three
21 27 members of the house of representatives, two of whom shall be
21 28 appointed by the speaker of the house of representatives and
21 29 one of whom shall be appointed by the minority leader of the
21 30 house of representatives.

Establishes the interim study committee membership, consisting of six members, three from the Senate and three from the House of Representatives.

21 31 3. The interim study committee, in consultation with
21 32 the director of the department of transportation or the
21 33 director's designee, the commissioner of public safety or the
21 34 commissioner's designee, and the director of the department of
21 35 natural resources or the director's designee, shall submit a
22 1 report with its findings and recommendations to the general
22 2 assembly no later than January 12, 2026. A proposed bill by
22 3 the interim study committee may be filed in lieu of submitting

Requires the interim study committee, in consultation with the Department of Transportation (DOT), Department of Public Safety (DPS), and DNR, to submit a report to the General Assembly by January 12, 2026, or may file a proposed Bill in lieu of a final report.

22 4 a final report.

22 5 Sec. 41. SUBACUTE MENTAL HEALTH CARE SERVICES — INTERIM
22 6 STUDY COMMITTEE.

22 7 1. The legislative council is requested to establish an
22 8 interim study committee during the 2025 legislative interim
22 9 to review the following topics as related to subacute mental
22 10 health care services:

22 11 a. The mental health services that should be available at a
22 12 subacute level of care.

22 13 b. Whether subacute mental health care services would be
22 14 most effectively delivered through a single subacute mental
22 15 health care facility serving the entire state, several regional
22 16 subacute mental health care facilities, or local options for
22 17 subacute mental health care services.

22 18 c. The mental health care providers that could best provide
22 19 subacute mental health care services.

22 20 d. The requirements for an individual's commitment, whether
22 21 voluntary or involuntary, to a subacute mental health care
22 22 facility or for subacute mental health care services.

22 23 e. The changes that may be required to the current
22 24 commitment process to allow for an individual's commitment to
22 25 a subacute mental health care facility or for subacute mental
22 26 health care services.

22 27 f. The requirements for an individual's discharge from a
22 28 subacute mental health care facility or from subacute mental
22 29 health care services.

22 30 2. The interim study committee shall consist of five members
22 31 of the senate and five members of the house of representatives.
22 32 Three members of the senate shall be appointed by the majority
22 33 leader of the senate and two members of the senate shall be
22 34 appointed by the minority leader of the senate. Three members
22 35 of the house of representatives shall be appointed by the
22 36 speaker of the house of representatives and two members of the
22 37 house of representatives shall be appointed by the minority
22 38 leader of the house of representatives.

22 39 3. The interim study committee shall report the committee's
22 40 findings and recommendations to the general assembly no later
22 41 than January 12, 2026.

Requests that the Legislative Council establish an interim study committee during the 2025 Legislative interim to review the following topics related to subacute mental health care services:

- The mental health services that should be available at a subacute level of care.
- Whether the delivery of subacute mental health care services is most effective through a single facility serving the entire State, several regional facilities, or local options.
- The mental health care providers that could best provide subacute mental health care services.
- The requirements for an individual's commitment, whether voluntary or involuntary, to a subacute mental health care facility or for subacute mental health care services.
- The changes that may be required to the current commitment process to allow for an individual's commitment to a subacute mental health care facility or for subacute mental health care services.
- The requirements for an individual's discharge from a subacute mental health care facility or from subacute mental health care services.

Requires that the interim study committee be composed of five members of the Senate and five members of the House of Representatives. Three members of the Senate will be appointed by the majority leader of the Senate and two members of the Senate will be appointed by the minority leader of the Senate. Three members of the House will be appointed by the Speaker of the House and two members of the House will be appointed by the minority leader of the House.

Requires the interim study committee to report the committee's findings and recommendations to the General Assembly by January 12, 2026.

22 42 DIVISION XII

22 43 911 EMERGENCY COMMUNICATIONS SERVICES

22 44 Sec. 42. NEW SECTION 34A.12 DELIVERY OF 911 CALLS —
22 45 REIMBURSEMENT.

22 46 The program manager may request reimbursement from each
22 47 joint 911 service board for reasonable costs under section
22 48 34A.7A related to the delivery of 911 call traffic to public
22 49 safety answering points. Upon request, each joint 911 service
22 50 board shall reimburse the department of homeland security and
22 51 emergency management for such costs within thirty days.

CODE: Allows the 911 program manager to request reimbursement from each joint 911 service board for reasonable costs under Iowa Code section [34A.7A](#).

DETAIL: Moneys collected from the wireless and prepaid wireless 911 surcharge under Iowa Code sections 34A.7A and [34A.7B](#) are deposited into the 911 Emergency Communications Fund, under the control of the program manager, for distribution to joint 911 service boards. Iowa Code section 34A.7A(2) currently outlines that 60.00% of the total amount of surcharge generated per calendar quarter is to be allocated to joint 911 service boards for use by Public Safety Answering Points (PSAPs) for the receipt and disposition of 911 calls.

Unassigned Standings

General Fund

| | Actual FY 2024 (1) | Estimated Net FY 2025 (2) | Current Law (3) | Final Action FY 2026 (4) | Net Total (5) |
|--|--------------------------|---------------------------------|-------------------------|--------------------------------|-------------------------|
| <u>Administrative Services, Department of</u> | | | | | |
| State Accounting Trust Accounts | | | | | |
| Federal Cash Management - Standing | \$ 2,442,390 | \$ 54,182 | \$ 54,182 | \$ 0 | \$ 54,182 |
| Unemployment Compensation - Standing | 264,937 | 421,655 | 421,655 | 0 | 421,655 |
| Total Administrative Services, Department of | \$ 2,707,327 | \$ 475,837 | \$ 475,837 | \$ 0 | \$ 475,837 |
| <u>Education, Department of</u> | | | | | |
| Education, Dept. of | | | | | |
| State Foundation School Aid | \$ 3,665,805,198 | \$ 3,787,626,194 | \$ 3,940,370,054 | \$ -46,881,303 | \$ 3,893,488,751 |
| Nonpublic School Transportation | 8,992,784 | 8,997,091 | 14,005,269 | -5,008,178 | 8,997,091 |
| Sac and Fox Settlement Education | 100,000 | 100,000 | 100,000 | 0 | 100,000 |
| Instructional Support | 0 | 0 | 14,800,000 | -14,800,000 | 0 |
| Education Savings Accounts - Standing | 129,078,537 | 218,048,012 | 314,847,020 | 0 | 314,847,020 |
| Charter Schools - Standing | 2,437,772 | 5,200,000 | 19,682,777 | 0 | 19,682,777 |
| Education Support Personnel Salary Supplement* | 0 | 14,000,000 | 0 | 0 | 0 |
| Total Education, Department of | \$ 3,806,414,291 | \$ 4,033,971,297 | \$ 4,303,805,120 | \$ -66,689,481 | \$ 4,237,115,639 |
| <u>Executive Council</u> | | | | | |
| Executive Council | | | | | |
| Court Costs | \$ 420,288 | \$ 56,455 | \$ 56,455 | \$ 0 | \$ 56,455 |
| Public Improvements | 0 | 9,575 | 9,575 | 0 | 9,575 |
| Drainage Assessment | 146,375 | 19,367 | 19,367 | 0 | 19,367 |
| Total Executive Council | \$ 566,662 | \$ 85,397 | \$ 85,397 | \$ 0 | \$ 85,397 |
| <u>Legislative Branch</u> | | | | | |
| Legislative Branch | | | | | |
| Legislative Branch | \$ 36,985,580 | \$ 40,010,000 | \$ 42,062,873 | | \$ 42,062,873 |
| Total Legislative Branch | \$ 36,985,580 | \$ 40,010,000 | \$ 42,062,873 | \$ 0 | \$ 42,062,873 |
| <u>Health and Human Services, Department of</u> | | | | | |
| Health and Human Services | | | | | |
| MHDS Regional Services Fund | \$ 0 | \$ 134,421,714 | \$ 134,694,168 | \$ 0 | \$ 134,694,168 |
| Rent Reimbursement | 0 | 13,320,000 | 13,320,000 | 0 | 13,320,000 |
| Health and Human Services | \$ 0 | \$ 147,741,714 | \$ 148,014,168 | \$ 0 | \$ 148,014,168 |
| HHS - Assistance Payment | | | | | |
| Rent Reimbursement - Standing | \$ 10,048,687 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| MHDS Regional Services Fund - Standing | 127,723,160 | 0 | 0 | 0 | 0 |
| HHS - Assistance Payment | \$ 137,771,847 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Health and Human Services, Department of | \$ 137,771,847 | \$ 147,741,714 | \$ 148,014,168 | \$ 0 | \$ 148,014,168 |

Unassigned Standings

General Fund

| | Actual FY 2024 (1) | Estimated Net FY 2025 (2) | Current Law (3) | Final Action FY 2026 (4) | Net Total (5) |
|---|--------------------------|---------------------------------|-------------------------|--------------------------------|-------------------------|
| <u>Management, Department of</u> | | | | | |
| Management, Dept. of | | | | | |
| State Appeal Board Claims | \$ 20,272,392 | \$ 4,501,794 | \$ 4,504,630 | \$ 0 | \$ 4,504,630 |
| Special Olympics Fund | 100,000 | 100,000 | 100,000 | 0 | 100,000 |
| Transportation Equity Fund | 30,340,068 | 31,098,570 | 32,653,499 | 0 | 32,653,499 |
| Total Management, Department of | \$ 50,712,460 | \$ 35,700,364 | \$ 37,258,129 | \$ 0 | \$ 37,258,129 |
| <u>Public Defense, Department of</u> | | | | | |
| Public Defense, Dept. of | | | | | |
| Compensation and Expense | \$ 11,301 | \$ 342,556 | \$ 342,556 | \$ 0 | \$ 342,556 |
| Total Public Defense, Department of | \$ 11,301 | \$ 342,556 | \$ 342,556 | \$ 0 | \$ 342,556 |
| <u>Public Safety, Department of</u> | | | | | |
| Public Safety, Dept. of | | | | | |
| DPS - POR Unfunded Liabilities | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 | \$ 0 | \$ 5,000,000 |
| Total Public Safety, Department of | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 | \$ 0 | \$ 5,000,000 |
| <u>Revenue, Department of</u> | | | | | |
| Revenue, Dept. of | | | | | |
| Homestead Tax Credit Aid - GF | \$ 149,044,155 | \$ 154,176,435 | \$ 162,524,423 | \$ 0 | \$ 162,524,423 |
| Elderly & Disabled Tax Credit | 4,252,292 | 4,327,772 | 4,327,772 | 0 | 4,327,772 |
| Ag Land Tax Credit - GF | 39,097,596 | 39,100,000 | 39,100,000 | 0 | 39,100,000 |
| Military Service Tax Exemption | 1,482,073 | 1,580,000 | 0 | 0 | 0 |
| Comm & Industrial Prop Tax Replacement | 64,871,194 | 50,770,846 | 36,667,901 | 0 | 36,667,901 |
| Business Property Tax Credit | 122,350,000 | 122,350,000 | 122,350,000 | 0 | 122,350,000 |
| Barrel Tax Refunds | 3,032,599 | 2,000,000 | 2,000,000 | 0 | 2,000,000 |
| Total Revenue, Department of | \$ 384,129,909 | \$ 374,305,053 | \$ 366,970,096 | \$ 0 | \$ 366,970,096 |
| Total Unassigned Standings | \$ 4,424,299,377 | \$ 4,637,632,218 | \$ 4,904,014,176 | \$ -66,689,481 | \$ 4,837,324,695 |