

Travel Federation of Iowa

Bills Enacted by 2008 Iowa General Assembly

HF 2194 - Minimum Wage Code Update - This bill replaces minimum wage requirement exemptions in the Code that are tied to the federal Fair Labor Standards Act. Currently, the Code adopts by reference exemptions to the federal Fair Labor Standards Act that were in place when Iowa's minimum wage law was enacted in 1989, but that were repealed from the United States Code on November 17, 1989. The federal provision allowed a retail or service establishment to pay employees engaged in certain services less than the federal minimum wage if more than 50 percent of the establishment's annual dollar volume of sales of goods or services is made in the state in which the establishment is located and 75 percent of whose annual dollar volume of sales of goods or services is not for resale. The bill provides that the state's minimum wage requirements do not apply to an enterprise whose annual gross volume of sales or business done, exclusive of excise taxes at the retail level which are separately stated, is less than \$300,000, unless the enterprise is engaged in the business of laundering, cleaning, or repairing clothing or fabrics; is engaged in construction or reconstruction; is engaged in the operation of hospitals, facilities serving the elderly or persons with mental or physical illnesses or disabilities, or educational institutions; or is a public agency. Effective 7/1/2008.

HF 2212 - Smokefree Air Act - Prohibits smoking in all enclosed public places, including workplaces, private offices, bars, and restaurants. Also bans smoking in some outdoor areas, including outdoor restaurant seating, outdoor sporting and entertainment venues, public transit platforms and shelters, school property, and government property. Exempts casinos and other gambling establishments, state and county fairs, designated hotel/motel rooms, private residences (unless used as a child care facility), private/semi-private long-term care facility rooms, Iowa Veterans Home, farm tractors, and designated areas in prisons and National Guard facilities. Effective 7/1/2008. *FISCAL NOTE: State would lose nearly \$9 million each year in cigarette sales taxes. The estimated costs to implement and administer this legislation are \$106,900 in FY2009 and \$51,100 in FY2010.*

HF 2450 - DED Changes - This bill makes a number of changes affecting the administration of the department of economic development. The bill allows the DED director to appoint a designee to serve on the vision Iowa board and allows the DED to use funds from the renewable fuel infrastructure fund to market its renewable fuel programs. The bill limits the tax credits available to investors in film projects to 25 percent of a project's qualified expenditures in the state. The bill directs the department, in coordination with other state and local entities, to develop and market a new tourism program to create new, and promote existing, recreational and leisure opportunities in the state. The bill strikes a number of the department's existing reporting requirements and reconstitutes them instead under a different Code Section and standardizes the department's reporting requirements by providing for a single, consolidated annual report to the governor and the general assembly due by January 31 of each year. The bill allows the DED to contract with service providers for commercialization development services on a case-by-case basis, and it also authorizes the department to spend the additional moneys it recaptures from loan payments and federal economic stimulus funds provided it spends those moneys on the implementation of consultant recommendations for certain targeted industries. Requires reporting on targeted industries development financial assistance allocations and targeted small business procurements and certifications. Effective 7/1/2008.

HF 2539 - Health Care Reform - Declares the intent of the legislature to make progress toward all Iowans having health care insurance that meets certain criteria for quality and affordability, starting with children in 2011. Expands

children's health insurance coverage up to 300% of the federal poverty level, and incorporates additional coverage strategies. Begins developing an alternative affordable health care plan offered to people above 300% of the federal poverty level on an unsubsidized basis through the Iowa Comprehensive Health Care Insurance Association, called the Iowa Choice Health Plan. Allows continued coverage of a dependent child up to age 25. Prohibits the use of pre-existing conditions when moving between plans, including to and from individual plans. Establishes groundwork for a medical home, electronic medical records, chronic care management, quality assurance through clinical outcomes and patient surveys, and greater transparency in health care. Works on strategies to improve direct care worker compensation and benefits, including a demonstration pilot on health care coverage for direct careworkers. Establishes new procedures and guidelines for end-of-life planning and care coordination. Includes community wellness grants to encourage healthier lifestyles. Requires the Insurance Commissioner to work with the industry to make health plans more uniform and provide better transparency to allow consumers to compare and manage costs. For more details, review the chart prepared by the IDPH at:
www.idph.state.ia.us/adper/common/pdf/legis/archive/2008/080428_update.pdf. Effective 7/1/2008.

HF 2580 - Sustainable Natural Resource Funding Advisory Committee - Establishes a Sustainable Natural Resource Funding Advisory Committee with membership including Ducks Unlimited, Sierra Club, Nature Conservancy, county conservation boards, Iowa Environmental Council, Farm Bureau, Iowa Farmers Union, Land Improvement Contractors Association, Iowa Natural Heritage Foundation, Iowa Renewable Fuels Association, Iowa Rivers Revival, Izaak Walton League, and Pheasants Forever. Requires the Committee to study one or more sustainable sources of funding for natural resources and outdoor recreation needs in Iowa by January 9, 2009. Sunsets the Committee on 1/1/2010. Effective 7/1/2008.

HF 2612 - DNR Bill - Makes a number of changes to natural resources programs and services. Gives the following groups a representative on County Resource Enhancement Committees - historic preservation commission (or similar group), historic museum or organization that maintains historic documents in a county, and a local organization that preserves historic buildings. The county board of supervisors (in consultation with a local city if appropriate) will appoint the group representatives. Effective 7/1/2008.

HF 2620 - Elections/Voting Change - Makes a number of changes to Iowa voting and elections laws, including clarifying which voters may vote on hotel/motel taxes. Only city residents will vote on these measures if the tax is imposed only in the city (and only county residents vote for taxes imposed only in the unincorporated areas). Effective 7/1/2008.

HF 2662 - Agriculture/Natural Resources Budget - Appropriates \$43.4 million for various agricultural and natural resources programs and initiatives (\$235,000 decrease). Increases funding for reimbursement of expenses incurred by Soil and Water Conservation Districts by \$150,000. Also makes appropriations from the Environment First Fund (a part of the Rebuild Iowa Infrastructure Fund - where gambling dollars are placed). Appropriates \$50,000 for the Iowa Climate Change Advisory Council created but not funded in [SF 485](#) (FY 2008 Greenhouse Gas Regulations Act). The funds will be used for meeting expenditures and related administrative costs. Increase Resource Enhancement and Protection (REAP) Fund by \$500,000 (for a total of \$16 million). Decreases funding for Resource Conservation and Development Program by \$50,000 (shifted to general fund). Decreases funding for the Grape & Wine Development Fund by \$3,000 (\$280,000 total). Brings funding for the Loess Hills Development and Conservation Authority back up to \$600,000 (an increase of \$20,000 to reinstate funds cut last fiscal year). Continues the \$500,000 Brownfields appropriation. Effective 7/1/2008.

HF 2663 - School Infrastructure Local Option (SILO) - This bill replaces the local option sales and services tax for school infrastructure purposes by increasing the state sales and use taxes from 5 percent to 6 percent, effective July 1, 2008. The increased use tax rate does not apply to the sale or lease of motor vehicles. The state sales and use tax rates are reduced from 6 percent to 5 percent on January 1, 2030. The increased state sales and use tax revenues are deposited into a new Secure an Advanced Vision for Education (SAVE) fund to be distributed to all

school districts. A statewide amount per pupil would be computed each fiscal year based upon the estimated amount that would have been generated by a 1 percent local sales and services tax divided by the combined enrollment of all school districts. Each district will receive an amount equal to the amount that it would have received under the formula if the local sales and services tax for school infrastructure was still imposed. The bill contains several related provisions. Effective 7/1/2009.

HF 2679 - Education Budget - Spends \$988.9 million on various education programs, an overall increase of \$5.5 million. Includes a Baby Boom Generation Workforce Study, requiring the ISU Department of Sociology to look at current and potential efforts to retain baby boomer lowans (including community attractions, recreation, health/wellness opportunities and other quality of life measures). No funding is allocated for it and it is contingent upon money being available. Effective 7/1/2008. *Line Item Veto: The Governor did veto some things in this bill, but the items noted were not affected by these line-item vetoes.*

HF 2699 - Economic Development Budget - Appropriates a total of \$48.3 million from the General Fund, an increase of \$7.4 million primarily used to replace lost federal dollars. Maintains funding for the Department of Cultural Affairs, Community Cultural Grants, Historical Division, Historic Sites, Great Places, and Governor's Archives. Adds a new appropriation for the Iowa Cultural Caucus Project (\$20,000), which takes place every four years. Establishes a new Sustainable Community Development initiative (\$500,000) to demonstrate long-term environmentally conscious growth and development. Increases funding for the World Food Prize from \$450,000 to \$1 million. Adds a new \$200,000 appropriation to match US HUD Main Street Challenge Grants for historic building preservation. Maintains level funding for DED's Community Development Division (where the Iowa Tourism Office is located) but eliminates the earmarked funding for tourism (leaving the amount of money to be given to tourism up to the discretion of the Director). Funding for the councils of governments was partially shifted this year to the interest from the Values Fund, leaving about \$100,000 available to the Community Development Division for other purposes. Effective 7/1/2008.

HF 2700 - Standings Budget - Spends \$289.5 million on various standing (automatic annual) appropriations, and makes dozens of corrections to bills already passed this session. This is also known as the "last train out of the station," so contains a number of statutory changes that didn't make it through the legislative process as stand-alone bills. Allow legislators to use the April revenue estimates instead of the December estimates as required by law (which allows them to spend an extra \$48.6 million). Makes a \$1 million automatic (standing) appropriation for the World Food Prize beginning FY10. The Economic Development Budget ([HF 2699](#)) included a \$1 million appropriation for FY09 (this was an increase of \$550,000). Requires \$100,000 from the annual CAT appropriation be used for tourism marketing. Creates a new charitable conservation contribution tax credit equal to 50% of the fair market value of land donated unconditionally in perpetuity by the taxpayer to a qualified conservation organization exclusively for conservation purposes. Caps the credit at \$100,000 and can be spread out over 20 years. Prohibits the issuer of a gift certificate from placing an expiration date on a gift certificate and from assessing a charge or deducting a fee from the face value of a gift certificate. Makes violations consumer fraud. This change is estimated to increase unclaimed property revenue collections to the General Fund by \$3 million next year. The issuer of a gift certificate will be required to send in unused gift certificate proceeds to the State under the Unclaimed Property statute. Allows a legislator (and his/her family) to accept food and drink received as a part of an event to honor the legislator. Adds a \$150,000 appropriation to the Iowa Center for Citizen Diplomacy (through DED) for promoting citizen diplomacy through individual, educational, business, and cultural efforts. Makes a correction to the infrastructure budget - so that funding for the low head dam program is also available for the development of water trails. Allows any city with a Local Option Sales Tax (LOST) to implement a retail TIF on the LOST revenue. Effective 7/1/2008. *Line Item Veto: The Governor did veto some things in this bill, but the items noted were not affected by these line-item vetoes.*

SF 2059 - State Historical Society & Lost Items - Makes the State Historical Society responsible for administering the Iowa Heritage Fund. The bill also removes division III from Code chapter 304A, which contains an

indemnification program for special exhibit items lost or damaged while on loan to nonprofit organizations or governmental entities in Iowa. Effective 7/1/2008.

SF 2176 - Cultural Affairs Changes - Requires the Historical Division of the Department of Cultural Affairs (DCA) create a digital collection of records for research purposes and make the collection available to the public. Requires DCA establish a statewide culture, history, & arts teams (CHAT) to coordinate cultural efforts. Clarifies that these teams are local organizations. Establishes a Civil War Advisory Committee to help the Historical Division plan a sesquicentennial commemoration of Iowa's role in the American civil war. Effective 7/1/2008.

SF 2380 - Low Head Dam Public Hazard Program - Establishes a water trails & low head dam public hazard program to develop a plan to compile a low head dam inventory, work with experts in a number of fields, develop recommendations for communities, recommend design templates for low head dams, and establishing priorities for water trails. Authorizes the department to contract with persons to assist in the development of the plan. Effective 7/1/2008.

SF 2394 - Transportation Budget - Maintains current spending on transportation programs in the Department of Transportation, adds \$10 million to last year's appropriation for highways, and allows the highway appropriation to be carried forward into the next fiscal year. Effective 7/1/2008.

SF 2400 - Administration & Regulation Budget - Makes appropriations to various state agencies. Requires privately owned libraries and art galleries to file a claim in order to receive a property tax exemption if the library or gallery is used for public purposes and not for private profit. Effective 7/1/2008. *Line Item Veto: The Governor did veto some things in this bill, but the items noted were not affected by these line-item vetoes.*

SF 2420 - TIME-21 Funding - This bill contains several provisions which would generate revenues that could be deposited into the TIME-21 Fund for infrastructure. Division I of the bill would increase registration fees on all 2010+ model year cars and trucks and make truck registration fees based on weight and value like other vehicles are currently calculated. Division II would increase all classes of driver's license fees. Division III would increase title fees and salvage title fees. Division IV would increase trailer registration fees. Division V would instruct the DOT to study the TIME-21 funding by FY 2011-2012 to determine whether a proper balance has been struck between Iowa drivers and out-of-state drivers. Division VI would replace the current use tax on vehicle purchases with a new registration fee, which would be constitutionally protected from being diverted away from its intended purpose. This bill would generate an estimated \$192 million by 2018. Effective 1/1/2009.

SF 2430 - Economic Stimulus (Micro-Enterprise, Tourism & IDAs) - Contains three components – expands the Community Attractions & Tourism (CAT) program to include river projects and extends the program for another two years; creates a micro-enterprise grant program to help communities grow by investing in very small businesses; and authorizes Individual Development Accounts to help low-income Iowans save money for things that increase self-sufficiency (education, home ownership, business startups). Spends a total of \$2.875 million on these three components. RIVER CAT: Extends the CAT Program for another three years (\$12 million annually until June 30, 2013). Creates a new parallel program called the River Enhancement Community Attractions & Tourism Program (River CAT) and appropriates \$2 million from interest earned on money in the federal economic stimulus & job holdings fund. Funds in River CAT are to be used to create and enhance community attractions and tourism opportunities along lakes (public lakes only), rivers, and river corridors in cities across the state. Allows a project to apply for and receive money from both CAT and River CAT. Caps River CAT awards at one-third of the overall cost of the project. Projects may include (but are not limited to) pedestrian trails and walkways, amphitheatres, bike trails, water trails, whitewater courses, and modifications for safe mitigation of dams. Allows multi-year commitments from River CAT. Appropriates an additional \$250,000 of federal economic stimulus funds to pay for a water trails and low head dam public hazard statewide plan. MICRO-ENTERPRISE GRANTS: Earmarks \$475,000

in federal economic stimulus interest funds to provide grants to organizations that assist micro-enterprises (businesses employing no more than five people that generally lack collateral and have difficulty securing financing from conventional lending sources). Microenterprises include start-up, home-based, and self-employed businesses. Community micro-enterprise development organizations are community development, economic development, social service, or nonprofit organizations that provide training, access to financing and technical assistance to microenterprises. Requires a 20% match by the organization and requires DED to consider the following in awarding the grants – geographic diversity, urban and rural presence, ability to provide services to low-and-moderate income persons and in underserved communities, and the organization's relationships. Establishes a 10-15 member microenterprise development advisory group comprised of government agencies, non-profit organizations, and private sector entities that have expertise and demonstrated interest in microenterprise development to study and make recommendations on the design and implementation of the competitive grant process and ways to improve connectivity. **INDIVIDUAL DEVELOPMENT ACCOUNTS:** Individual Development Accounts are savings plans available to low income individuals, including persons with disabilities, to increase opportunities for self sufficiency by allowing them to save money for qualifying purchases, such as paying for educational expenses, buying a home or starting a small business. This bill adds cars and assistive technology to the list of things a person may buy with the money. Right now money in these accounts is tax-free, and they can be matched by the operating organizations (such as the credit unions participating). The organizations giving this match are given tax breaks for doing this. This bill makes a number of changes to these accounts - accounts may have only \$30,000 in them (lowered from \$50,000), administration of the program is moved from DHS to the Division of Community Action Agencies in the Department of Human Rights, and household income thresholds are to be determined by the Division with input from the Family Development & Self-Sufficiency (FADSS) Council. Also requires the Division to send out an RFP to select operating organizations, and gives organizations providing a match a full tax break (100% instead of 15-25%). Changes the current state match limit from \$2,000 per year to \$2,000 total. Requires the Division to work with Iowa's federal delegation to get a federal tax break on the money organizations give as match as well. Effective 7/1/2008 (except IDA section is effective 4/29/2008).

SF 2432 - RIIF (Rebuild Iowa Infrastructure Fund) Budget - Spends \$484.1 million on various infrastructure projects, and authorizes \$130.7 million in bonds to build a new prison. Increases funding for REAP (Resource Enhancement And Protection) by \$2 million. Adds \$10 million annual appropriation for the newly created River Enhancement Community Attractions & Tourism (River CAT or RECAT) program and establishes this as an annual appropriation for the next four years (through FY13). Also adds funding for the new Low Head Dam Public Hazard Improvement Program (\$1 million). Makes a new appropriation (\$50,000) for a Midwest Grape & Wine Industry Institute at ISU. Adds a new \$250,000 appropriation for a long-term facility for an outdoor farm show (Central Iowa Expo). Increases spending on trails by \$500,000 (total \$3 million) - of which \$100,000 goes to the Maquoketa River Trail, \$100,000 to the Highway 12 trail, \$100,000 for the American Gothic Regional Trail, \$750,000 to the Des Moines Riverwalk, \$100,000 for the Summerset Trail, and \$30,000 for the Crawford County Trail. Increases spending on Honey Creek to \$8 million to cover increased construction costs. Prohibits DNR from requesting additional state funding for Honey Creek Destination Park in light of the appropriations made in this bill. Maintains funding for Iowa Great Places (\$2 million); Historic Preservation Grants (\$1 million); Iowa Battle Flags (\$220,000); Kimball organ in Clermont (\$80,000); Regional Sports Authority Districts (\$500,000); Lake Delhi improvements (\$100,000); Volga River infrastructure (\$750,000); Levi Carter Lake improvements (\$500,000); lake restoration (\$8.6 million); Iowa State Fair improvements (\$5 million); county fair infrastructure (\$1.6 million); general aviation airport infrastructure (\$750,000); commercial airport infrastructure (\$1.5 million); Sullivan Brothers Museum's interactive oral history exhibit (\$986,250); and Capitol/East Village/Capitol Parking Lot shuttle service (\$170,000). Changes the date the Public Transit Funding Study report is due to 12/31/2008, as required by the TIME-21 Act ([SF 2420](#)). Requires Iowa Great Places funding be available to identified projects for a period of three years. Creates the Fairgrounds Infrastructure Aid Fund, including deadlines applications are due into the Treasurer's Office, and requires eligible fairs enter cost-share agreements in order to receive funding. Funding to fairs may be between \$5,000-50,000. Multiple awards are allowed, provided that the total award does not exceed \$50,000 per fair. Changes the sources of funding for CAT in FY09 and FY10 to be entirely RIIF (instead of the current split between \$5 million RIIF and \$7 million General Fund). Changes the sources of funding for the Grow Iowa Values Fund in

FY09 & FY10 to be entirely RIIF (instead of the General Fund). Requires Grow Iowa Values Fund recipients to report to DED on the type and amount of funds spent on major maintenance, repair or renovation of any new or existing building. NOT FUNDED THIS YEAR: \$2.5 million in general state park infrastructure improvements and \$1.6 million for additional commercial airport infrastructure. Effective 7/1/2008. Line Item Veto: The Governor vetoed the language changing the date the Public Transit Funding Study report is due. The TIME-21 Act ([SF 2420](#)) required the report by 12/1/2009, but this bill had moved it up a year to 12/31/2008. The veto means the report is due on 12/1/2009, as passed in [SF 2420](#).