



Week 10: 3/21/2019

In this Issue:

Week in Review..... P. 1

Bills on the Move.....P.1

Special Election SD 30...P. 2

DOR Guidance Letter.....P. 2

Next Week in Legis.....P. 3

Key Dates.....P. 3

In the News.....P. 3

Contact Information

David Adelman
515-491-1015 (m)
dadelman@cgagroup.com

Matt Hinch
202-365-9449 (m)
mhinch@cgagroup.com

Frank Chiodo
515-778-5245 (m)
fchiod@cgagroup.com

Sara Allen
515-778-9516
sallen@cgagroup.com

Week in Review

The Legislature spent most of its time this week conducting floor debate in each chamber. The next funnel deadline is April 5th, just two weeks away. The next two weeks will see an increase in subcommittee and committee work.

Last Friday, the REC met and lowered their FY 2020 revenue estimate by \$20 million. The new revenue estimate is still above the budget targets announced by the House and Senate earlier in the session (\$7.67 billion for the House and \$7.62 billion for the Senate). Senator Whitver released a statement on the estimate: “The results of today’s REC meeting confirm Senate Republicans cautious approach to budgeting for the upcoming fiscal year. With a slight reduction in revenue growth in Fiscal Year 2020 and a projection for a slow-down in the economy for Fiscal Year 2021, conservative budget targets are more important now than ever. A status quo budget is necessary to ensure a predictable and sustainable budget in upcoming years. It is appropriate to proceed with an abundance of caution in the budgeting process for the upcoming fiscal year.”

Bills on the Move

Section 179 Expensing. The Governor signed [SF 220](#), a bill dealing with Section 179 expensing by including LLCs, corporations and other financial institutions. The bill is retroactive to January 2018. The Senate PASSED the bill 48-0; the House PASSED the bill 87-7.

Medicaid Work Requirements. The Senate passed [SF 538](#) requires persons on the Iowa Health & Wellness plan to engage in various community engagement requirements. The most recent [fiscal note](#) estimates the increased cost to DHS to be \$5 million in FY 2021 and \$11.9 million in FY 2022 after the adoption of S 3017. Senator Edler, who offered an amendment to the bill, said that the bill is a “compassionate nudge” to get people working again. He said that he could have reduced the cost of his amendment to the bill by reducing the community engagement activities but said that he wanted a broad spectrum of possible activities. Senator Chapman said that the bill will help raise the self-respect and dignity of Iowans who are receiving assistance. Senator Schultz, said the “goal of this bill is to encourage people to become educated, start a career, and improve their lives and the lives of their children.” Senator Whitver released a statement: “Expecting able-bodied adults on Medicaid to work, volunteer, or go to school is a common-sense policy. With the lowest unemployment rate in the country, nearly every sector of the Iowa economy needs workers and this bill can bring additional people into the workforce.” He said that this is one of three welfare reform bills passed by the Senate this year. The other two are [SF 305](#) (SNAP eligibility), on a 46-3 vote, and [SF 484](#) (SNAP card possession), on a 48-0 vote.

Sports Betting. [HF 648](#) is a bill dealing with sports betting/fantasy betting. The bill passed the House State Government committee 16-9. The bill authorizes licensed sports betting on college and pro sports and fantasy sports. Additionally, the bill gives the R & G Commission ability to adopt standards and to allow sports betting at casinos and racetracks and requires



license holders with sports betting to take steps to keep coaches, athletes and other involved persons from betting. The bill sets the tax rate at 6.75%.

The House passed the governor's Children Mental Health (HF 690) bill this week on an 83-14 vote. A fiscal note was published this week and can be found [here](#). House File 690 establishes a Children's Behavioral Health System; a Children's Behavioral Health System State Board; eligibility requirements and core services; new duties of the Department of Human Services (DHS) Division of Mental Health and Disability Services; regional mental health services provided through the adult Mental Health and Disability Services (MHDS) system; and regional governance. The bill is largely based on a report from the Children System State Board. Its report can be found [here](#). The bill is estimated to cost the State \$423,000 in FY 2020 and \$1.3 million in FY 2021 due to the increased cost of Medicaid services. In addition, this Bill is estimated to cost the MHDS Regions \$3.3 million in FY 2020 and \$5.1 million in FY 2021.

The Iowa Senate passed [SF 507](#). The bill, which passed 32-17, was brought forward to address an Iowa Supreme Court ruling from last November. The bill says personal injuries due to idiopathic or unexplained falls from a level surface onto the same level surface are not compensable under workers' compensation. The Iowa Supreme Court ruled by saying these kinds of falls may be compensable so long as the employee proves that a condition of their employment increased the risk of injury. The ruling made Iowa an outlier and could potentially convert the employer into a general health insurer. There is a companion bill in the House, HF 593, which is eligible to be debated on the floor.

A subcommittee of the Senate Ways and Means committee considered and passed [SSB 1193](#), which is the Governor's Empower Rural Iowa initiative. The bill makes changes to the broadband policy in code, and also increases the amount of workforce housing tax credits available and makes the program competitive. Senator Feenstra said the bill will have an amendment and is taking feedback from groups who would like to see changes to the bill.

Special Election for Senate District 30

Democrat Eric Giddens won the special election for Senate 30, with 7,610 votes, over Republican Walt Rogers, who received 5,631 votes, and Libertarian Fred Perryman, who received 143 votes. The Republicans now hold a 32-18 margin in the Senate. The seat will be up for re-election in 2020. The seat became open in February when Senator Danielson resigned from the Senate. District 30 is in Black Hawk County (Cedar Falls, Hudson, part of Waterloo and southwestern Black Hawk County). Both of the House seats are held by Democrats (Representative Kressig and Representative Williams), though Rogers held House 60 for four terms prior to his loss in 2018.

Department of Revenue Gives Updated Guidance on Section 179 Expensing

Last week, Governor Reynolds signed [SF 220](#) into law; Senate File 220 expands the Internal Revenue Code Section 179 expensing cap and investment limit for corporations to the same level that was established for individual income taxpayers in SF 2417 (2018 Tax Modifications Act). The bill will expand the TY 2018 Section 179 cap and investment limit to \$70,000/\$280,000 from the current \$25,000/\$200,000 for corporations, including C-corporations, financial institutions, and S-corporations. The expansion is effective in tax year (TY) 2018. The Iowa Department of Revenue released [this guidance letter](#) for businesses wishing to take advantage of the tax change.



In the Legislature Next Week

IOWA SENATE - Schedule for Week 11, March 25-29, 2019

House of Representatives Schedule for Week 11, March 25 - 29, 2019
Prepared in the Office of House Speaker Linda L. Upmeyer

IOWA SENATE - Schedule for Week 11, March 25-29, 2019					House of Representatives Schedule for Week 11, March 25 - 29, 2019				
Monday, March 25	Tuesday, March 26	Wednesday, March 27	Thursday, March 28	Friday, March 29	Monday, March 25	Tuesday, March 26	Wednesday, March 27	Thursday, March 28	Friday, March 29
	9:00 SESSION	9:00 SESSION	9:00 SESSION			8:30 SESSION	8:30 SESSION	8:30 SESSION	
		10:00 Agriculture EM 22	11:00 Appropriations EM 22				10:00 Ways and Means EM 102, Sup. Ct. Consult Appropriations EM 103, Sup. Ct. Chamber		
		11:00 Commerce EM 22							
Noon	Noon	Noon	Noon	Noon	Noon	Noon	Noon	Noon	Noon
1:00 SESSION	1:00 Nat. Resources EM 22 Veterans Affairs EM 24	1:00 State Govt. EM 22 Local Govt. EM 24	1:00 Nat. Resources EM 22	On Call: All Committees	1:30 SESSION	1:30 Local Government EM 19 Agriculture EM 102, Sup. Ct. Consult Human Resources EM 103, Sup. Ct. Chamber	1:30 Natural Resources EM 19 Judiciary EM 102, Sup. Ct. Consult Labor EM 103, Sup. Ct. Chamber	1:30 Public Safety EM 19 Economic Growth EM 102, Sup. Ct. Consult State Government EM 103, Sup. Ct. Chamber	1:30 Public Safety EM 19 Economic Growth EM 102, Sup. Ct. Consult Transportation EM 103, Sup. Ct. Chamber
2:00 Education EM 22 Labor/Bus. EM 24	2:00 Hum. Res. EM 22 Transportation EM 24	2:00 JOINT SESSION - Pioneer Lawmakers House Chamber	2:00 SESSION		2:00 Ways and Means EM 102, Sup. Ct. Consult Appropriations EM 103, Sup. Ct. Chamber	2:00 Public Safety EM 19 Economic Growth EM 102, Sup. Ct. Consult State Government EM 103, Sup. Ct. Chamber	2:00 Joint Convention - Pioneer Lawmakers House Chamber	2:00 Veterans Affairs EM 19 Environmental Protection EM 102, Sup. Ct. Consult Transportation EM 103, Sup. Ct. Chamber	On Budget Subcommittee Call
3:00 SESSION	3:00 Ways and Means EM 22	3:00 Judiciary EM 22			3:00 Natural Resources EM 19 Judiciary EM 102, Sup. Ct. Consult Labor EM 103, Sup. Ct. Chamber	3:00 Veterans Affairs EM 19 Environmental Protection EM 102, Sup. Ct. Consult Transportation EM 103, Sup. Ct. Chamber	3:00 Education EM 102, Sup. Ct. Consult Commerce EM 103, Sup. Ct. Chamber	3:00 Local Government EM 19 Agriculture EM 102, Sup. Ct. Consult Human Resources EM 103, Sup. Ct. Chamber	
	4:00 SESSION	4:00 SESSION			4:00 Education EM 102, Sup. Ct. Consult Commerce EM 103, Sup. Ct. Chamber	4:00 SESSION	4:00 Government Oversight EM 102, Sup. Ct. Consult	4:00 SESSION	

Key Dates

January 14	First Day of Legislative Session
February 15	Last Day for individual Senator/Representative Bill Requests
March 8	First Legislative Funnel (Originating chamber bills must be voted out of a full committee to remain "alive")
March 15	Revenue Estimating Conference Meets
April 5	Second Legislative Funnel (Corresponding chamber must vote bills out of a full committee to remain "alive")
April 15	Amendments need not be filed on the day preceding floor debate
May 3	110 th Day of the session. Per diem expenses for legislators end.

In the News

- [Iowa Republicans Go in Different Direction to Design the State's Next Spending Plan](#)
- [Special Election Fundraising Brings in Almost \\$90,000 in 3 Weeks](#)
- [New Charge For Solar Panel Owners Approved by Iowa Senate](#)
- [Senate GOP Backs Work Requirements For Iowa Medicaid Recipients](#)
- [Compromise Advances Sports Betting Bills](#)
- [Cities Resist Iowa Scooping Majority Share of Traffic Camera Revenue](#)
- [Debate Over Distributing \\$5.3M Federal Grant for Mental Health Services](#)
- [Gov. Reynolds Meets with SW Iowa Reps to See Flooding First Hand](#)
- [Most Iowa Businesses Expect Sales Growth](#)
- [Iowa House Sends Senate Framework for Children's Mental Health System](#)
- [Iowa House Members Honor Woman Who Died of Inflammatory Breast Cancer](#)



Katelyn O'Hare | Frank Chiodo | David Adelman | Matt Paul | Matt Hinch | Jimmy Centers | Sara Allen