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# Iowa 2022 Legislative Session: End of Session Report

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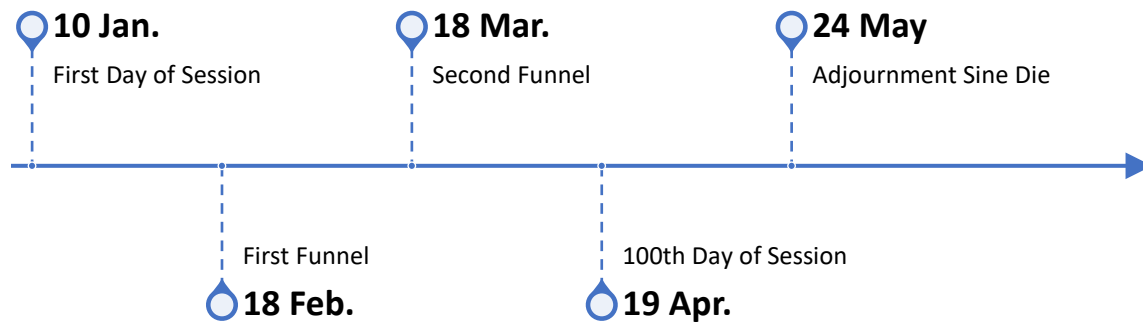
Five weeks beyond the 100th calendar day of the session, the 2022 session of the 89th General Assembly of Iowa is currently adjourning sine die. Originally slated to end on April 20, stalled negotiations on Education Savings Plans (ESAs) as proposed by the Governor and approved by the Senate largely led to the delay. Ultimately, agreement on the issue was not reached but the Governor and supporters in both chambers pledged to revisit the issue next year.

Once it was decided that the chambers would not reach a consensus on the ESA issue, it did not take long for leadership and appropriators to wrap up the budget and resolve the remaining policy issues. The last few days of session saw another round of tax reform, a compromise on the Bottle Bill that was 40 years in the making, and a number of increases and decreases in budget priorities.

We will provide a comprehensive review of all legislation of interest from this legislative session once the Governor's 30-day veto period has expired. Please find highlights from the 2022 legislative session below.

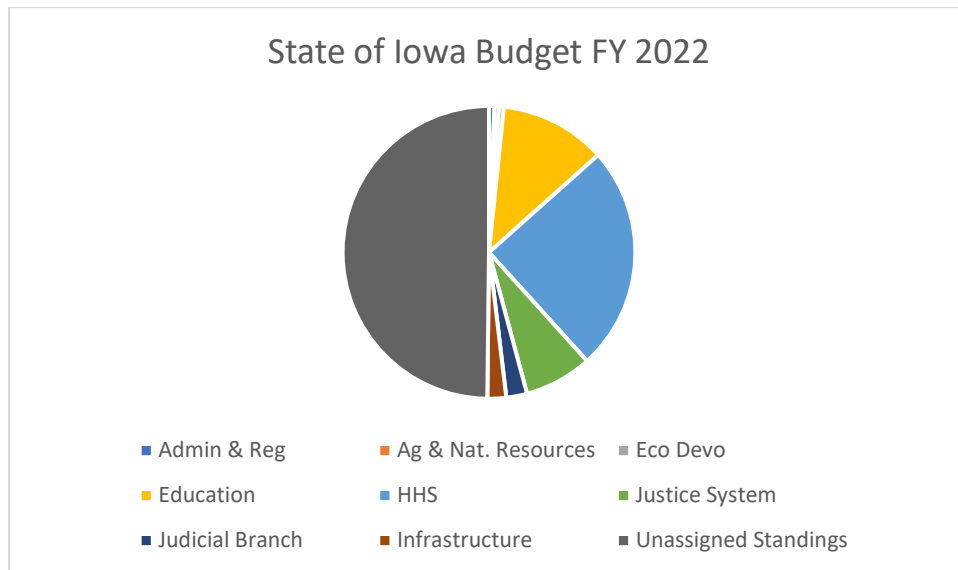
Thank you for the opportunity to represent you at the Iowa Statehouse this legislative session. We look forward to continuing our work together this interim as we analyze this session and begin to prepare for the 2023 legislative session.

### 2022 Legislative Session Timeline



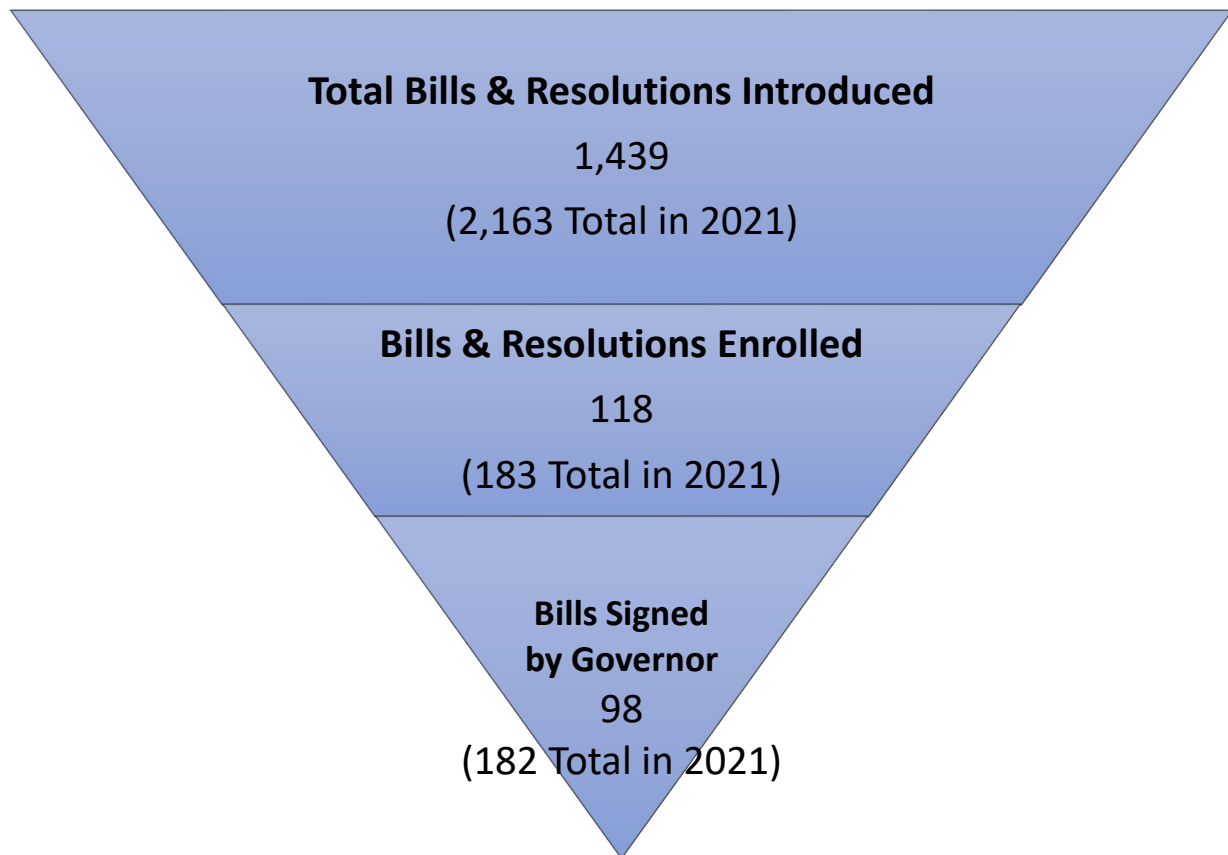
## Budget

The agreed-upon budget appropriates around \$8.4 billion for FY 2023.



State of Iowa Budget FY 2022	
Admin & Reg	\$50.1 million
Ag & Nat. Resources	\$41.9 million
Eco Devo	\$45.3 million
Education	\$992.89 million
HHS	\$2.1 billion
Justice System	\$632.3 million
Judicial Branch	\$193.7 million
Infrastructure	\$175.1 million
Unassigned Standings	\$4.2 billion
<b>General Fund Total</b>	<b>\$8.4 billion</b>

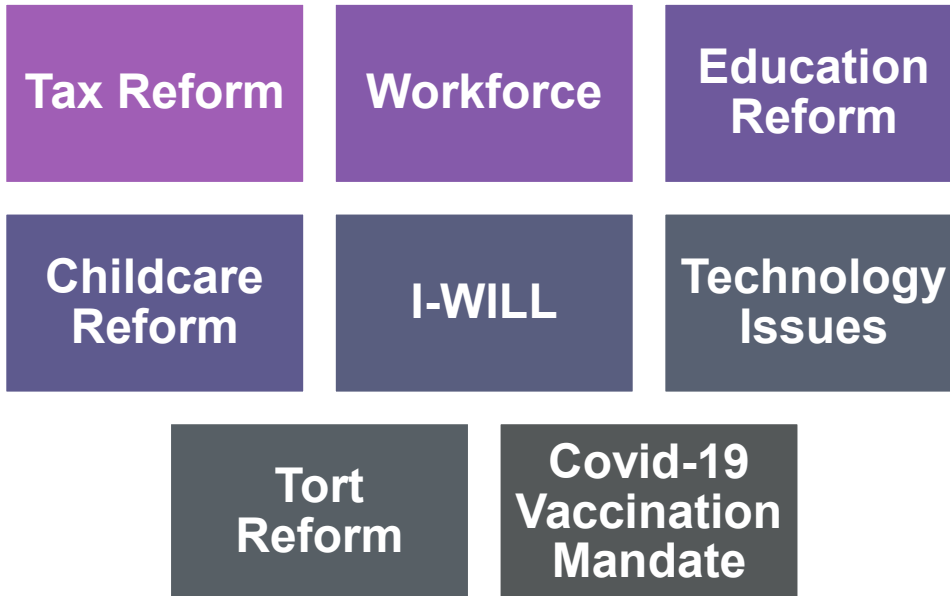
## Workflow of 89th General Assembly



### Governor Reynold's 2022 Priorities

- Cutting taxes for all Iowans (proposed 4% flat income tax phased in over four years and repealing all state income taxes on retirement income beginning next year).
- Making Iowa an employment destination.
- Improving access to childcare.
- Building Iowa's health care workforce.
- Preparing students for the workforce.
- Providing education choice and transparency for Iowa families.
- Growing the fuels of the future in Iowa.

## Major Topics of the 2022 Legislative Session



### 2022 Tax Reform (HF2317)

Major tax reform was the ultimate priority for the Governor and Republicans in both chambers; it was highlighted in [opening day remarks](#) by leadership in the House and the Senate and was the focal point of the [Governor's Condition of the State Address](#). The Governor introduced her tax plan (HSB551/SSB3044) in Week 2 of the legislative session, and both the House (HF2317) and the Senate (SF2206) released their tax plans in Week 3. In just seven weeks, a final compromise was reached between Governor Reynolds, the House, and the Senate, and lawmakers made quick work of passing a sweeping tax reform proposal. On February 24 (HF2317) (as amended by the final agreement S-5022) passed the Senate 32-16 (two Democrats voted with the Republicans to support the bill); that evening, the House took up and agreed to the amendment, passing it 61-34 Thursday evening (two Democrats voted with the Republicans to support the bill). The Governor signed the bill on March 1.

Implementation of a flat personal income tax rate of 3.9% by Tax Year 2026.

Elimination of the tax on retirement income in Tax Year 2023.

Removal of the tax on capital gains upon the sale of stock related to employee stock ownership plans (ESOPs).

Phases the corporate tax rate in Iowa to 5.5% percent from the current 9.8% as annual net receipts to the Iowa General Fund exceed \$700 million annually.

No elimination of the S-Corp Apportionment Tax Credit.

No elimination of the computers and computer peripherals exemption for any taxpayer.

Under the Research Activities Credit (RAC), supplies and computer use expenses are phased out as qualifying expenses as part of the credit calculation.

Refundability for RAC is phased down to 50% in 5 years.

The Legislative Services Agency (LSA) scored the bill in a [fiscal note](#) on (HF2317) that provides an in-depth analysis of the bill's impact

Passed House (61-34) 2/24/22
Passed Senate (32-16) 2/24/22
Signed by Governor 3/1/22

Statements were made in response to the bipartisan vote to pass ([HF2317](#)).

**Governor Reynolds:**

*When I took office, Iowa had the sixth-highest individual income tax rate in the nation at 8.98%. I believed Iowans deserved better. Since then, I've worked with the Legislature across multiple sessions to make transformative changes to our tax code, let Iowans keep more of their hard-earned money, and make our state more competitive.*

*Today's bipartisan, consensus bill shrinks individual income tax rates to a flat and fair 3.9%, the fourth-lowest in the nation. It eliminates state income tax on retirement income, overhauls our corporate tax system, and accelerates the incredible momentum we've built since 2018.*

*There's never been a better time in Iowa for bold, sustainable tax reform. This bill rewards work, takes care of our farmers, and supports our retirees, all while protecting key state priorities. Iowans will reinvest these dollars in our economy, communities will prosper, and families will rest a little easier. Once again, we're putting our faith in Iowans, and they won't let us down.*

**Senate Majority Leader Jack Whitver:**

*For years Senate Republicans have promised to provide income tax relief and today, we kept that promise again. This tax bill is the third major tax relief package the Senate has delivered in the last 4 years. A nearly \$1.9 billion tax cut creates an environment for more career opportunities for Iowans, gives Iowans more of an incentive to rejoin the workforce, and helps Iowans weather the impact of record-setting inflation created by the reckless policies coming from Washington, DC.*

**Democratic Response to the Tax Bill**

Democratic senators proposed amendments that would expand the Child and Dependent Care Tax Credit and the Earned Income Tax Credit, keep current tax rates for Iowans with taxable income over \$250,000, and limit retired farmer benefits to those who rent their land to beginning and young farmers. Republican senators rejected all those amendments.

Senator Wahls said that Democrats offered a fair tax plan that “rewards work, not wealth. The Iowa Republicans’ tax plan rewards wealth, not work. The Republican plan rewards the ultrarich 100 times more than the average Iowa taxpayer. This plan is not fair, it’s out of touch, and it is completely disconnected from the lives of everyday Iowans. The Governor should scrap this plan, start over, and bring forward real solutions to the workforce crisis ravaging our state.”

***Tax II – Franchise, Insurance, Sales Tax***

Ways and Means Chair Dawson introduced ([SF2372](#)) Tax II in Week 9, a tax bill related to franchise, insurance, and sales taxes. Many of these provisions were originally included in the Senate Tax Proposal introduced [in week three \(SF2206\)](#). The Senate Way & Means Committee approved the bill on March 8. The changes in the bill would have resulted in both tax increases and tax reductions in other taxes. A [Fiscal Note](#) published determined the overall impact of the changes is likely to increase general fund collections. The bill includes the following changes:

<b>Franchise/Insurance Tax</b>	Phases in a reduction of the franchise tax to 3.9% by the 2027 calendar year. Reduces the insurance premium tax over two years to 0.9% for the 2024 calendar year. Sales Taxes: Changes software as a service to cloud computing.
<b>Strikes exemptions or adds to taxable services</b>	Web hosting and related services are subject to the sales tax, except when furnished exclusively for a commercial enterprise; the sale of computer/computer peripherals to an insurance company. Makes various computer services for professions and occupations subject to the sales tax.
<b>Adds exemptions</b>	Specified digital products in relation to agriculture; period products and adult diapers from the sales tax; the sale of various computer services to a public utility. Effective January 2023.
<b>Auto Rental</b>	Strikes the auto rental excise tax exemption for peer-to-peer auto-sharing networks.
<b>Food</b>	Includes food sold for another purpose but that could be eaten by humans as food. Allows for refunds of taxes collected between 2019 and 2022, up to an aggregate cap of \$100,000.
<b>NG Pay</b>	Exempts up to \$20,000 in pay for drills and related matters.
<b>Net Operating Loss</b>	Allows taxpayers to deduct any remaining net operating loss from prior years after the repeal at the state level goes into effect. Limits the carryforward for in a year to 80% of net income.
<b>Stock</b>	Makes changes to employee stock purchases related to the changes in HF 2317 (Tax Reform signed last week).

Passed Senate (43-6) 3/22/22
Referred to House Ways & Means



### *Tax III – Sales Tax and IWILL*

In Week 9, another tax bill was introduced, ([SSB3157](#)) Tax III. This bill included major provisions related to sales tax and the Iowa Water Land Legacy (IWILL) fund that was originally included in the Senate Tax Proposal introduced in week three ([SF2206](#)). The bill increases the state sales tax to 7%. It repeals the local option sales tax and transfers amounts to a fund for local government; requires local governments to use these sales tax monies for revenue purposes adopted by each city. Polk County is required to use at least 75% of the money received from the fund for property tax relief.

The bill also triggers IWILL by making changes to uses for a portion of the sales tax increase that will be deposited into the Natural Resources and Outdoor Recreation Trust Fund. It establishes a formula for spending the monies in the trust including further the goals of nutrient reduction strategies and protecting existing public lands.

SSB3157 did not make it beyond the Senate subcommittee in 2022.

Passed Senate Subcommittee 3/23/22

### *Sales Tax Matters*

The Department of Revenue bills related to the sales, use, and motor vehicle fuel taxes administered by the department of revenue including distributions to local governments and school districts, the liability of sellers, tax refund and tax credit incentives, and motor fuel tax reporting modifications, and providing penalties was introduced in the Senate at the end of February. The bill passed as introduced in the Senate and was messaged to the House, where the bill sat for almost eight weeks. In the final days of the 2022 session, the House amended and passed the bill unanimously; the Senate unanimously concurred in the amendment and sent the bill to the Governor for her signature. Highlights of the bill include:

- Allows combined sales/use tax receipts.
- Makes filings for the sales tax monthly but allows a person who collects less than \$1,200 to file annually.
- Makes changes to terminology and other sales tax matters.
- Allows DOR to adopt emergency rules to implement provisions and makes them effective immediately.
- LOST/SAVE: Requires the amounts owed to local governments and schools to be transferred to the governments or schools from the DOR. Includes a transition period.
- Services: Deems that a seller who contracts with a certified service provider is not liable for the sales tax on the transactions of the service provider. Makes the certified service provider liable.
- Permits: Allows the DOR to cancel certain permits if the permits are not used.
- EDA: Makes changes related to EDA sales tax incentives related to completion dates, audits, criminal penalties for false claims, and other matters.
- Fuel: Allows the DOR to require retailers to file fuel reports electronically.
- Adds provisions related to the Solar Energy System Tax Credit.
- Adds sales tax exemptions for feminine hygiene products and diapers.
- Exempts the \$1,000 pandemic bonuses paid to teachers, childcare workers, police, and Department of Corrections employees.

Many of the provisions were included in the Senate version of Tax II Franchise, Insurance, Sales Tax.

Passed House (83-0) 5/23/22
Passed Senate (44-0) 5/23/22
To Governor

### Childcare Reform

Childcare reform has been a top priority for the Governor and both chambers. Several bills addressing the childcare crisis in Iowa were introduced in the House and the Senate also considered bills related to Age of Childcare Workers and Staffing Ratios. The Staffing Ratio bills ([HF2131/SF2268](#)) ultimately died in the funnel; however as it goes at the end of session, no policy provision is dead until sine die.

#### *Age of Childcare Workers and Staffing Ratios*

In Week 15, the Senate took up ([HF2198](#)) the Age of Childcare Worker bill, which would allow a 16-year-old to work/volunteer at a childcare facility without supervision. The Senate amended the bill adding the language from ([SF2228](#)) regarding staffing ratio (the bill allows childcare centers to increase child to staff ratios to 1:7 for children under 2 and 1:10 for children 3 and older). The bill passed the Senate as amended 31-18 on April 18. The House took up ([HF2198](#)) as amended by the Senate in Week 16, concurred with the amendment, and approved the bill 30-14. It now goes to the Governor for her signature.

Passed Senate (30-18) 4/18/22
Passed House (52-42) 4/26/22
To Governor

#### *Childcare Reimbursements*

Just two weeks after approving HF2198, the Senate approved [HF 2127](#), the bill allows a childcare provider to collect the difference between the amount of state assistance and the amount the provider normally charges from a family in the childcare assistance program. [HF 2127](#) passed in the House in Week 8; it now goes to the Governor for her signature. This is another priority bill aimed at addressing the childcare crisis in Iowa. HF2127 was the second Childcare reform bill sent to the Governor in the final overtime weeks of the 2022 legislative session (see [HF2198](#)).

Passed House (61-37) 3/2/22
Passed Senate (29-16) 5/2/22
To Governor

#### *Executive Action on Childcare Reimbursements*

On May 18, Governor Reynolds announced that the state will offer Child Care Business Incentive grants, with \$20 million for investments in local infrastructure to expand capacity and \$5 million to help employers reserve childcare slots. The Governor convened a Child Care Task Force in March 2021 to address the childcare shortage in Iowa. Childcare shortages are estimated to cost the state \$935 million annually in lost tax revenue, worker absences, and employee turnover.

### Education Reform/School Issues

### School Supplemental Aid (SSA)

Early in the 2022 Session, the House and Senate reached an agreement on Education funding, accepting the 2.5% School Supplemental Aid (SSA) level proposed by the House and Governor Reynolds. The Senate approved the House version of the SSA bill [HF2316](#), increasing school funding by \$159 million (2.5% per pupil). The bill passed the Senate 31-17 and sent the bill down to the Governor for her signature.

[HF2316](#) was the first bill signed into law in the 2022 legislative session. Governor Reynolds signed the SSA on Thursday, February 17—this is typically the first bill signed into law each session. Fifty-six percent of Iowa’s entire budget funds public education. In fiscal year (FY) 2023, which begins July 1, 2022, that’s more than \$3.6 billion. Eighty percent of the education budget goes to K-12 schools, including more than \$3.5 billion for state foundation school aid and nearly \$29.5 million for transportation equity.

Passed House (57-39) 2/10/22
Passed Senate (31-17) 2/14/22
<b>Signed by Governor 2/17/22</b>

Governor Reynolds issued the following statement after the bill signing:

*“Providing a quality education for the next generation of Iowans is one of our most important responsibilities. The state’s significant and responsible funding increases year-over-year for more than a decade helps ensure that Iowa has the strong public education system necessary to support the success of our students and our state.”*

### Education Savings Accounts (ESA)/Student First Scholarships

Education choice is a core priority on the state and national Republican platform and one that Governor and key Senate Republicans believe in strongly. The Governor introduced her Education bills in both chambers (SF2369/HSB672) early in the legislative session; both survived the funnel deadlines, but this proposal ultimately became the issue that delayed adjournment.

In Week 13 the Senate passed the Governor’s Education bill ([SF2369](#)) with amendment, sending it to the House. Highlights of the bill include:

- Creating Student First Scholarships which would allow a portion of Iowa’s per-pupil educational funds to follow eligible students to private schools or other educational programs
- Requiring all public schools to publish course syllabi, materials, and available library books online
- Requiring all high school students to pass the Civics portion of the U.S. Naturalization Service Test to graduate from high school
- Eliminating the need for AEA approval to place students receiving special education services in competent private instruction
- Eliminating the requirement for PK-12 school librarians to have a master’s degree

Student First Scholarships would require an estimated State General Fund annual appropriation of \$55.2 million beginning with fiscal year 2023. (This estimate assumes 10,000 scholarships are awarded.)

Passed Senate (31-18) 3/30/22
Referred to House Appropriations

The House took a different approach; the House version of the Governor's Education bill ([HSB672](#)) did not pass out of the House Education Committee. Instead, the House bifurcated the bill and created two proposals: [HF2498](#) Open Enrollment and [HF2577](#) Transparency and School Boards.

[HF2498](#) contemplates many provisions of the Governor's bill (special education services, open enrollment, requirements of school librarians) but does not include provisions related to the Student First Scholarship.

Placed on House Unfinished Business Calendar
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[HF2577](#) is the House Education bill that passed the House (60-36) and establishes transparency requirements for School Districts and Charter Schools, it also incorporates the Governor's civics provision, but it does not include provisions related to the Student First Scholarship.

Passed House (60-36) 3/29/2022
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Negotiations on Education Savings Accounts (ESA)/Student First Scholarships essentially stalled out the legislative session for almost four weeks. Without an agreement on ESAs, leadership ceased negotiations on major outstanding policy issues and appropriators did not engage in earnest discussions about their respective budgets.

After spending much of the legislative session attempting to gain support for the new Student First scholarships in the House, it was announced that there would not be a deal cut and it would not make it to the Governor's desk this year. Once this impasse was resolved, leadership and appropriators returned to the Capitol and began working out the path to final adjournment.

Governor Reynolds has already committed that if the legislature could not reach an agreement this year, then she will make this a priority next year. She has since engaged in primaries of those House members that vocalized their opposition to her Education bill.

\*Note: The Standings Appropriation bill contains provisions regarding Open Enrollment in Division V of the strike after amendment [H-8394](#) to HF2589 and Division VI of the strike after amendment [S-5170](#) to SF2394.

### Transgender Sports

[HF2416](#) sets student eligibility requirements in school districts and accredited nonpublic school athletics; it requires that interscholastic athletic teams, sports, or athletic events sponsored or sanctioned by a school or athletic organization must be designated as females/women/girls or males/men/boys or coeducational/mixed based on the sex at birth of the participating students.

This bill was a priority for Governor Reynolds. She signed the bill into law on Thursday, March 3, in the Capitol rotunda, declaring this a "victory for girls' sports in Iowa." In a statement issued by the Governor's Office, the Governor declared:

*No amount of talent, training or effort can make up for the natural physical advantages males have over females. It's simply a reality of human biology. Forcing females to compete against males is the opposite of inclusivity and it's absolutely unfair.*

Passed House (55-39) 2/21
Passed Senate (31-17) 3/02
Signed by Governor 3/03/2022

**Renewable Fuels Standard**

The creation of a Renewable Fuel Standard (RFS) to boost the sale of corn-based ethanol and biodiesel has been a priority of Governor Reynolds for the last two years. The Governor proposed legislation requiring gasoline retailers to start selling higher blends of ethanol or to seek a waiver from the requirements. In the 2021 session, chambers were unable to reconcile their differences; the beginning of this year seemed promising for a compromise. The Governor’s E-15 Program (HF 2128) was the first bill of the session passed by the House in week 5 on a bipartisan vote with 50 Republicans and 32 Democrats supporting the bill and 7 Republicans and 3 Democrats opposing it. The bill then remained stalled in the Senate for over 10 weeks.

The Senate amended the bill in legislative over time to allow for additional smaller retailers to be exempt from the new E-15 requirements (about one-third of Iowa retailers would qualify). The Senate amended (HF2128) and approved the bill 42-3 on the Senate floor; the House then made quick work, calling up the bill on that same day and concurring with the Senate amendment, passing (HF2128) with an 81-13 vote.

Passed House (81-13) 4/26/22
Passed Senate (42-3) 4/26/22
Signed by Governor 5/17/22

After the legislative action on the Renewable Fuels bill, the Governor made the following statement:

*This is a historic win for Iowa families, for our agriculture and biofuels industry, and for Iowa’s entire economy. By increasing access to more affordable, homegrown biofuels made right here in Iowa, we are lowering the price at the pump and getting America back on track toward energy independence. I am proud that my biofuels legislation will lead to the single greatest expansion of biofuels in our state’s history, while providing our industry with consistency in the face of ever-changing federal policy. I commend the legislature for working with me to advance this bill and I look forward to signing it into law in the coming days.*

**Technology Issues**

The House Information and Technology Committee made cybersecurity and data privacy a top priority. The committee heard from experts around the country on these issues and moved many bills through committee for consideration. While none of these bills made it to the Governor’s desk, this focus sparked the most robust conversation on cybersecurity and data privacy as has taken place at the Capitol. Members are committed to coming back next year and work on passing substantive legislation on these issues.

**Data Protection**

HF 2506 Establishes personal data rights for consumers. Requires businesses that control personal data of 100,000 Iowans or 25,000 Iowans, if 50% of the gross revenue is from the sale of personal data, to meet these requirements, including answering requests about whether the

business (controller) is processing the data of a consumer, limiting the collection of personal data, protecting consumer data and prohibitions against various kinds of discrimination. Also:

- Requires privacy notices.
- Requires the controllers to assess their activities in regard to data collection.
- Allows the AG to investigate.
- Includes various exemptions.

Passed House (91-2) 3/14/22
Referred to Senate Judiciary 3/15/22

### *Ransomware*

HF 2461 makes using ransomware an offense ranging from an aggravated misdemeanor to a Class C felony, based on the amount of damage. Defines ransomware and other related terms. Allows the use of ransomware for research purposes. Deems where the attacker lives, where the attacker performed the attack and the location of the attacked computer as suitable venues.

Passed House (99-0) 3/02/22
Placed on Senate Unfinished Business Calendar 3/24/22

### *Affirmative Defenses for Cybersecurity*

Both the House and the Senate developed two different versions of Cybersecurity Affirmative Defense bills (HF2302/SF2049). Both bills establish affirmative defenses for the use of various cybersecurity defense measures, including the use of accepted standard. Both bills also included provisions related to blockchain technology in electronic records and signatures.

HF2302 Passed House (99-0) 3/02/22
SF2049 Passed Senate Subcommittee

### **Tort Reform**

Medical Malpractice was a priority for Governor Reynolds; she included tort reform and specifically Medical Malpractice in her Condition of the State address as she highlighted workforce issues. Medical malpractice was introduced in companion bills in each chamber (HF2279/SF2275) which also included changes to unemployment and tort reform for the commercial trucking industry. The initial strategy was to secure the votes for all three.

The Senate has passed Medical Malpractice in previous legislative sessions. The House has struggled to garner the votes. This year was no different; even after attempting to add amendments related to Covid-19 Proof of Vaccination (see also HF2067).

During the second funnel, the House made an effort to amend provisions of the Governor's Unemployment-Tort Reform bill onto a Senate bill that was being offered by the House; the bill was ultimately deferred on by leadership. In the end, the House passed unemployment changes in a different vehicle (see [HF2355](#) below) as the Republicans could not obtain 51 votes to pass tort reform.

HF2279
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Deferred on House floor
SF2275
Placed on Senate Unfinished Business Calendar

### COVID-19 Vaccine Mandate

Continuing their efforts from the special session, the House introduced [HF2067](#) sponsored by 28 Republican legislators that would prohibit employers from requiring employees or applicants from having to take a vaccine that has not been approved by the United States FDA. This bill is was an extension of the [Covid Vaccine Exemptions bill \(HF902\)](#) that became law last year during the second of two special sessions in October. The Senate did not have a companion bill. HF2067 did not move in the House.

Referred to House Judiciary
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The House also took action on a Medical Privacy and Freedom Act (HF2545) that would have prohibited disclosure of and discrimination based on a person’s medical treatment status or the requirement of an immunity passport. The bill directed state agencies to ensure that a businesses in Iowa are in compliance. It also deemed that any business, educational institution, employer, or governmental entity that violates the Medical Privacy Freedom Act would be liable for any adverse reaction, injury, disability, or death. This bill receive a vote of the full House State Government Committee, but was not considered on the floor.

Placed on House Calendar 3/1
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A version of the above bills was included in amendment [H-8136](#) to HF2279 the Governor’s Unemployment-Tort Reform (see above) in an effort to sway votes. Essentially this amendment would ensure a business, educational institution, employer, or governmental entity refuse, withhold from, or deny services, goods, facilities, advantages, privileges, access, transportation, or freedom of movement, licensing, educational opportunities, or access to medical care, based on a person’s Covid-19 immunization status. It also contained provisions related to the requirements of masks or required testing based on immunization status. This amendment was ultimately never voted on, the House made an effort to amend provisions of the Governor’s Unemployment-Tort Reform bill onto a Senate bill and it was deferred on (see HF2279).

### Unemployment Insurance

The legislature continued efforts to make reforms to unemployment benefits. Governor Reynolds made unemployment changes a priority. In her Condition of the State address, she stated that a growing part of the labor shortage in Iowa is because the state is overly generous with unemployment benefits and this has taken away the need or desire to work. ([HF2355](#)) reduces the number of weeks unemployed persons can collect benefits to 16 weeks (four months) and lowers the wage requirements for suitable work. The bill was hung up in the House for weeks over a one-week waiting period before receiving unemployment benefits that were included by the Senate after the House passed the bill 58-37. In Week 16, the Senate finally receded from their one-week waiting period amendment after the House refused to concur; the Senate passed the bill as originally sent over by the House 30-14 on that same day. The bill now goes to the Governor for her signature.

Passed House (58-37) 3/23
Passed Senate (30-14) 4/26

To Governor

Governor Reynolds issued a statement on the passage of ([HF2355](#)):

*The success of Iowa’s robust economy is driven by employed Iowans and their hard work ethic. Today the Iowa legislature passed two bills that will help bolster our workforce in Iowa. I’ve worked tirelessly to find ways to reinvigorate our workforce and make it more attractive for recruitment and retention of workers. With more than 85,000 job openings in our state, we cannot afford to leave any employable Iowans on the sidelines. We’ve realigned our state’s workforce agency to serve as a reemployment agency providing more dedicated, one-on-one career coaching, and to make the process for Iowans to reenter the workforce as simple and efficient as possible. We want to ensure that every employable Iowan finds a meaningful and fulfilling job within our state.*

House Democratic Leader Jennifer Konfrst also released a statement on the passage of ([HF2355](#)):

*Iowans are tired of politicians that do the bidding of special interests instead of listening to their constituents. Instead of working to fix Iowa’s workforce shortage crisis, Republican lawmakers passed a bill negotiated behind closed doors with special interests to take away earned unemployment from Iowans who lost a job through no fault of their own. Iowans are strongly opposed to this bill because it is unfair and it will drive more workers out of the state. Democrats believe the Iowa Legislature should focus on rewarding work, raising wages, making childcare affordable, and lowering costs for families.*

**Workforce**

The Governor’s Workforce/Regulatory Omnibus bill (SF2383) which contains several provisions related to work-based learning programs, Health Care Workforce recruitment, and veterans’ benefits, was modified through the Senate committee process – amending provisions regarding zoning and removing an entire Division that would have created a statewide building code – and passed the full Senate unanimously in Week 13. This bill was proposed by the Governor to support several of her priorities to increase/support the workforce in Iowa to address our current workforce crisis.

The House took up the Senate version of the Governor’s Workforce Omnibus bill in Week 14, agreeing with their amendment and passing the bill 70-24. It now goes to the Governor for her signature. Provisions in the bill include:

- Changes to county and city inspections regarding manufactured homes
- Improvements to work-based learning programs
- Expansion of Health Care Workforce Recruitment
- Professional licensing of military spouses
- Creation of an armed forces fishing and hunting licenses
- Status of licenses driver’s licenses/fees for driver’s licenses for veterans
- Waiver of parking fees for veterans
- Temporary licenses for insurance producers without examination

Passed Senate (48-0) 4/4
Passed House (70-24) 4/26
To Governor

**Bottle Bill Changes**



After a four-decade history, chambers finally reached an agreement on a major overhaul to the Bottle Bill. Retailers, distributors, and interested parties came together to develop compromise language. Both chambers introduced and moved two different versions of compromise bills (HF2571/SF2378). In Week 14, House approved their version of the Bottle Bill, amending and passing [SF2378](#) on a bipartisan vote of 73-17. In the final days of session, the Senate passed the House version of the Bottle Bill sending this historic reform down to the Governor for her signature.

The crux of this bill would allow retailers to opt of redeeming bottles and cans (“containers”) under certain conditions. Outline of final Bottle Bill:

- Adds high alcoholic content beer and canned cocktails to the definition of “beverage” in Code section 455C.1
- Adds mobile redemption options/clarifications
- Adds requirement of UPC for beverage containers (format TBD by IDR by 11/15/2023)
- Handling fee increases:
  - \$0.03 when paid to a redemption center or participating dealer (distributor who pays the one-cent handling fee for beer may claim a refund of the barrel tax paid by the distributor of one cent for each eligible beverage container accepted)
- Retailers accepting containers:
  - Retailers can refuse to accept empty beverage containers if—
    - They have a food establishment license, employ a certified food production manager, and use time and temperature controls for food safety. Stores that prepare food on the premises would meet most of these criteria. This would take effect January 2023.
    - They have entered into an agreement to have a mobile redemption center on their premises, including providing adequate space, utilities, and an internet connection to operate the redemption center. Mobile redemption centers are automated units, typically contained in trailers. Consumers open an account and are credited for the deposits, typically within 10 days of returning their containers. This would take effect July 1, 2022.
    - They are located in counties with 30,000 or more residents and are located within 10 miles of a redemption center or mobile redemption site. This distance is currently in the Department of Natural Resources’ (DNR) rules.
    - They are located in counties with less than 30,000 residents and are located within 15 miles of a redemption center or mobile redemption site.
  - Requires retailers that opt-out to conspicuously post that they do not redeem containers and direct consumers to the nearest redemption center or mobile center.
  - Civil penalty of \$2,000 was created for violations by retailers
- Redemption centers remain:
  - Allows redemption centers to remain operational; can be established without the approval of DNR and are subject to DNR compliance
  - DNR must create an electronic method for the public to locate redemption centers and mobile redemption systems
- Funds not redeemed:
  - Refund values/handling fees for unredeemed remain with the distributor
- Bottle Bill Fund

- Bottle Bill Fund created under the control of the DNR; consists of money from civil penalties and is to be used for the administration and enforcement of Code section 455C
- Review of the Bottle Bill by the Legislative Fiscal Committee and the AG in 2026

Passed House (73-17) 4/12/22
Passed Senate (30-15) 5/23/22
To Governor

### Other Significant Iowa Events of the 2022 Session

- **January 13** - The US Supreme Court blocked rules from the Biden administration that would have mandated large businesses to require workers to be vaccinated for COVID, or wear masks and be tested weekly. The Court did allow the imposition of such rules for facilities that receive Medicaid and Medicare funding.
- **January 20** - Governor Reynolds announced more than \$500,000 in grants for broadband expansion and housing programs will be awarded to 38 projects in rural communities through the Empower Rural Iowa Initiative. The grants are granted through the Iowa Economic Development Authority.
- **February 15** - Governor Reynolds ends the Public Health Disaster Emergency Proclamation. The initial proclamation was issued on March 17, 2020, and was extended regularly throughout the pandemic.
- **February 28** - Governor Reynolds announced efforts to support Ukraine. The Governor directed the Alcohol Beverage Division of Iowa to remove any liquors that are produced in Russia from its wholesale list as part of the effort to “demonstrate its solidarity with the brave people of Ukraine as they defend their freedom against Putin’s tyranny.” Reynolds also called for ending the Iowa Sister State relationship with Stavropol Krai in Russia.
- **March 1** - Governor Reynolds delivered the national Republican response to President Biden’s “State of the Union Address” on Tuesday, March 1, from Des Moines. Governor Reynolds said that across the nation, Republican Governors and legislators respected the American people on COVID by not adopting mandates and by re-opening schools as soon as possible. She said that Republicans understand that parents have the right to control what their children are taught in schools. She also discussed the border, stating that Republican governors in Texas and Arizona have acted to protect the border when the federal government has failed to protect the nation at the border.
- **March 3** - Governor Kim Reynolds and the Iowa Economic Development Authority (IEDA) announced that \$20 million in Manufacturing 4.0 Workforce Innovation grants have been awarded to 46 companies in Iowa. These grants are geared toward Iowa manufacturers with 76-250 employees across locations investing in Industry 4.0 technologies to address workforce issues exacerbated by the negative impacts of COVID-19. Recipients received up to \$500,000 in grant funding and a minimum match of 25% was required. A full list of the Manufacturing 4.0 Technology Investment grant recipients can be found [here](#). An additional \$1.9 million in Technology Investment grants was awarded to 37 companies with 3-75 employees for projects that encompass the adoption and integration of smart technologies. These smaller companies received grants of up to \$75,000 and a minimum match of 1:1 was required.
- **March 5** - Iowa saw the deadliest tornadoes in Iowa since 2008. Multiple tornadoes, ranging from EF-2 to EF-4 tornadoes, devastated 10 Iowa counties. An EF-4 tornado ripped through Winterset, killing six people; another person was killed in Lucas County.

Governor Reynolds issued a disaster proclamation for Madison County in response to the damage and deaths resulting from the tornado this Saturday. She later added Adair, Benton, Decatur, Jasper, Lucas, Polk, Tama, Warren, and Wayne counties to the disaster proclamation. The proclamation allows for the use of state resources to help with the clean-up and for residents to access emergency management assistance.

- **March 7** - As schools were dismissing around the metro, there was a shooting at East High School in Des Moines that left one teenager dead and two wounded. Governor Reynolds released a statement: "I'm praying for the victims of this senseless act of violence," she said. "I am heartbroken for the families and the pain felt across the entire community." Both the House and Senate chambers observed a moment in silence on Monday afternoon and Tuesday morning.
- **March 29** - The State Objection Panel heard challenges relative to whether seven candidates could be on the 2022 primary and ultimately general election ballot. The panel is typically made up of Secretary of State Paul Pate, Attorney General Tom Miller, and State Auditor Rob Sand. Because Tom Miller's ballot eligibility was being adjudicated, Lt. Governor Adam Gregg sat in for Attorney General Miller.

The panel made the following rulings:

- Tom Miller, Democratic candidate for Attorney General: Nomination petitions accepted, challenge rejected.
- Abby Finkenauer, Democratic candidate for U.S. Senate: Nomination petitions accepted, challenge rejected.
- Kyle Kuehl, Republican candidate for U.S. House, District 1: Nomination petitions rejected, challenge sustained by default ruling.
- Anthony LaBruna, Republican candidate for Iowa Senate District 3: Nomination petitions accepted, challenge rejected.
- Ken Rozenboom, Republican candidate for Iowa Senate, District 19: Nomination petitions accepted, challenge rejected.
- Jack Whitver, Republican candidate for Iowa Senate, District 23: Nomination petitions accepted, challenge rejected.
- Jeff Shipley, Republican candidate for U.S. House, District 87: Nomination petitions accepted, challenge rejected.
- **April 12** - President Biden visited Menlo, Iowa to announce that the federal government will allow the sale of E-15 fuel throughout the year as a hedge against higher fuel prices. Right now, E-15 cannot be used in most of the country from June 1 to September 15, but the EPA will be issuing a national, emergency waiver.
- **April 15** - The initial challenge to U.S. Senate candidate Abby Finkenauer efforts to get on the ballot was dismissed by Iowa's State Objection Panel; the Polk County District Court then overturned the panel's decision saying it applied the law incorrectly. Finkenauer appealed the District Court decision and the Iowa Supreme Court agreed to hear oral arguments, expediting the appeal, so the Secretary of State needs to print and send ballots for overseas voters by the federal deadline of April 23. The Iowa Supreme Court issued a ruling, Friday, April 15, that Finkenauer can appear on the June Democratic primary ballot.
- **April 20** - Marked the scheduled 100th day of session, and with it, per diems expired for legislators.
- **April 29** - Governor Reynolds announced that she had signed a Memorandum of Understanding to form a border task force along with 25 other states. The agreement does

not require new spending or sharing of personnel. Reynolds said that it will make it easier for states to share information to improve border security and aid in criminal investigations.

- **May 2** - A preliminary draft regarding the US Supreme Court’s decision to overturn Roe v Wade leaked. The final opinion isn’t expected until summer, though Iowa legislative leaders have spoken in response. Governor Reynolds released the following tweet: “As we await the Supreme Court’s final ruling, our mission remains as clear as it has ever been. We are fighting to defend the most important freedom there is the right to life.”
- **May 3-17** - Both chambers take hiatus, gaveling in and out as required by Constitution/rule.
- **May 23** - After spending much of the legislative session attempting to gain support for the new Student First scholarships in the House, it was announced that this was not going to make it to the Governor’s desk this year. This was a top priority of the Governor and the delayed adjournment this session can be largely attributed to the work put into attempting to get it passed in the House.
- **ARPA funding announcements**
  - **January 28** - \$58 million in water quality programs.
  - **March 16** - \$100 million for expansion and improvements for terminals, hangers, and parking at the eight commercial airports in Iowa.
  - **April 7** - \$100 million will be invested through Destination Iowa to help communities build new attractions.
  - **May 5** - \$20 million for downtown housing projects in 61 cities with populations under 30,000.

## 2022 Election

### Statewide Office

There are identifying candidates running for statewide office that have filed their paperwork with the Secretary of State.

<b>Governor</b>	Republican	Kim Reynolds
	Democratic	Deidre DeJear
<b>Secretary of State</b>	Republican	Paul Pate
	Democratic	Joel Miller
	Democratic	Eric Van Lancker
<b>Auditor of the State</b>	Republican	Mary Ann Hanusa
	Democratic	Rob Sand
<b>Treasurer of the State</b>	Republican	Roby Smith
	Democratic	Michael Fitzgerald
<b>Secretary of Agriculture</b>	Republican	Mike Naig

	Democratic	John Norwood
<b>Attorney General</b>	Republican	Brenna Bird
	Democratic	Tom Miller

### Legislature

Redistricting makes this election year particularly interesting, as many elected officials (higher than average) announce that they are retiring or plan to seek another elected office.

All House seats are up for election in November (House seats are up for election every two years). Typically, when two sitting House members wind up in the same district, one will move to another district, announce their retirement, or seek another elected office. Currently, there are a few districts where current sitting House members will be facing off in a primary:

- New House District 53 Republican Representatives Dean Fisher and David Maxwell have both filed to run
- New House District 66 Republican Representatives Steven Bradley and Lee Hein have both filed to run
- New House District 87 Republican Representatives Jeff Shipley and Joe Mitchell have both filed to run

The Senate primary process post-redistricting is more complicated. Senators are elected to four-year terms and half of the Senate is up for election every two years, either in the even-numbered districts or the odd-numbered districts. Redistricting impacts this staggered election year cycle by occurring just two years after an election for half of the seats in the Senate by changing the boundaries and numbering of the Senate districts.

In the redistricting process, districts are drawn without regard to where incumbents live (following the Constitution and statutory process for redistricting); but then the districts are numbered in an effort to put Senators who are in the middle of a four-year term into a holdover district. Iowa law provides that certain senate incumbents shall be allowed to continue serving for a four-year term without being subject to an election during the first general election following redistricting. However, in no event will an incumbent senator be allowed to serve a six-year term without an intervening election.

In 2022, odd-numbered Senate districts are up for election. Even-numbered districts are up for election if:

- Two incumbents live in the same district
- The district is open (no incumbents live within the new boundaries)
- The incumbent in the district is at the end of a four-year term
- All Senators who ran and were elected in 2018 must run again, regardless of their district (even/odd). A Senator who was elected in 2020 can holdover in an even-numbered district who two incumbents if the other incumbent moves, announce their retirement (by the third Wednesday in February) or seek another elected office.

Nine even-numbered seats will be up for re-election in 2022 along with the 25 odd-numbered seats. Below identify candidates who filed their candidate June primary paperwork with the Secretary of State.

*Important Election Dates*

Tuesday, June 7, 2022

- Primary Election

Saturday, June 11, 2022

- Republican Convention

Saturday, June 18, 2022

- Democratic Convention

Tuesday, November 8, 2022

- General Election