

Key Bills for Employers 2018

ABI KEY PRIORITIES	Status
<p>Workforce</p> <p>HF 2458 – Future Ready Iowa. The comprehensive legislation seeks to make sure that 70 percent of Iowans obtain education beyond the high school level by 2025. Workforce is the number one priority for ABI in 2018.</p>	<p>Passed House 98-0 Passed Senate 47-0 Signed by Governor Reynolds</p>
<p>Competitive Business Climate</p> <p>SF 2417 – Compromise tax reform bill. The bill lowers individual income rates, increases Sec. 179 expensing, 25% Qualified Business Income deduction in TY 2019 – 75% by TY 2022, changes definition of manufacturer, lowers corporate rate in TY2021, contains triggers which if hit will lower rates further, expands the products that are subject to sales and use tax and allows for online sales tax collection if Quill case overturned by SCOTUS.</p>	<p>Passed House 52-32 Passed Senate 28-20 Signed by Governor Reynolds</p>
<p>Competitive Business Climate</p> <p>SF 2383 – Senate tax bill. This legislation automatically couples with the federal tax code in tax year 2019 including full Sec. 179 expensing and Qualified Business Income deduction. Lowers individual and corporate income rates. Eliminates the AMT on both the individual and corporate side. Reduces and begins to phase out several business tax credits. It changes the taxation of financial institutions. It makes changes to the definition of manufacturer. Adds sales tax nexus language.</p>	<p>Passed Senate 29-21 House Ways & Means</p>

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Bills By Issue

Competitive Business Climate/Regulatory Reform	
SF 2262 – Equipment manufacturing regulatory relief. Legislation will alleviate the regulatory burden of Iowa’s small equipment manufacturers regarding taxation and titling of equipment they manufacture.	Passed the Senate 49-0 Passed the House 96-0 Signed by Governor Reynolds
HF 2343 – Agency discretion. The legislation would restrict agencies from implementing a standard, requirement or threshold without clear federal or state authority.	Passed the House 95-2 Passed the Senate 46-3 Signed by Governor Reynolds
SF 2319 – Administrative rules reduction. The bill would require a one-third reduction of existing regulations by 2022.	Died in Senate
SF 2330 – Water filter certification. The bill puts Iowa in line with all other states regarding water filter certification. The legislation uses a national standard for testing and eliminates the Department of Public Health from having to certify third party tests.	Passed Senate 48-2 Passed House Commerce
SF 2311 – Energy omnibus. This bill makes several changes to public utilities regarding how they are governed and how they serve their customers. Includes changes to energy efficiency and demand response programs for industrial users.	Passed Senate 27-23 Amended and Passed House 52-42 Passed Senate 28-20 Signed by Governor Reynolds
SF 2390 - Food inspection. Legislation that will increase fees for food inspections.	Passed Senate 42-3 Passed House 86-4 Signed by Governor Reynolds
SSB 3199 - Business filing fees. Prohibits Secretary of State’s office from charging a fee to file biennial reports.	Senate Ways & Means

Workforce/Employment	
SF 2353 – WIOA conformity. Conforms State workforce development and local workforce boards to federal law in the Workforce Innovation and Opportunity Act (WIOA). Expands the membership of the State board. Also requires the chair to be a business representative and for the makeup of the board to be over 50 percent business representation.	Passed Senate 48-2 Amended and Passed House 88-7 Passed Senate 46-2 Signed by Governor Reynolds
SF 2305 – Work comp fraud. Legislation that criminalizes fraud in workers’ compensation. The bill would create a workers’ compensation unit within the existing fraud bureau within the Iowa Insurance Division.	Passed Senate 28-22 Died in House Self-Insureds now covered under insurance fraud statute in language passed in Econ Dev Budget

<p>HF 2383 - Alcohol testing. Legislation that conforms Iowa's testing for alcohol to the federal motor safety carrier guidelines. Iowa has .04, and federal guidelines for transportation is .02. The bill states that Iowa can't test for a level less than .02.</p>	<p>Passed House 96-2 Passed Senate 44-5 Signed by Governor Reynolds</p>
<p>HF 2377 – Prescription drug abuse. Comprehensive legislation that addresses opioid abuse. It will help reduce workplace accidents and help prevent opioid addiction and overdoses.</p>	<p>Passed House 98-0 Amended and passed Senate 48-0 Passed House 95-0 Signed by Governor Reynolds</p>
<p>HF 2321 – IWD policy bill. Legislation that addresses background checks for workforce development employees. It also makes changes to vacation pay and retirement plans when it comes to unemployment benefits. It makes changes to non-profits with employees, including adding a bond requirement. The bill also makes changes to notice of hearing for unemployment benefits.</p>	<p>Passed House 96-0 Passed Senate 44-2 Signed by Governor Reynolds</p>
<p>HF 2240 – Employer wage payment. Clarifies the code to make clear how employers send their employees' wage statements via electronic means.</p>	<p>Passed House 98-0 Passed Senate 47-2 Signed by Governor Reynolds</p>
<p>SF 2405 – Medical Marijuana. Adds more conditions to debilitating conditions list for marijuana use. Allows practitioners greater discretion to provide marijuana to patient. Eliminates 3 percent THC cap and exempts cannabidiol products from sales tax</p>	<p>Died in Senate</p>
<p>SF 2349 – Expansion of employer health plans. Legislation could allow employers to form association health plans to provide employees with more affordable healthcare plans.</p>	<p>Passed Senate 37-17 Passed House 69-30 with amendment that matches SF 2329 Signed by Governor Reynolds</p>
<p>SF 2329 - Association health plan for agriculture organizations and Wellmark insurance.</p>	<p>Passed Senate 40-9 Passed House in SF 2349</p>
<p>HF 2397 – Legislation would provide employers a liability shield when it comes to an employee's criminal history being used as evidence in a civil action.</p>	<p>Passed House 95-1 Passed Senate 46-3 with strike after amendment House did not take the bill up</p>
<p>SF 2382 – Criminal justice reform omnibus includes language that would repeal an automatic driver's license suspension for non-driving drug offenders after they serve their sentence; this driver's license language was passed in the standings bill.</p>	<p>Passed Senate 47-2 Passed House Judiciary</p>
<p>SF 2338 – Religious freedom. Legislation enacts strict scrutiny when businesses use religion as a reason for not doing business with a customer.</p>	<p>Died in Senate</p>

SF 2133 – Employee paid leave. Legislation that would require employers to provide job-protected paid family leave to employees.	Died in Senate
HF 2453 – Nonmedical switching. The bill would prevent health insurance companies from holding down drug costs by substituting generic drugs when safe and appropriate and removing harmful drugs from the formulary for coverage.	Died in House
Environmental Investment & Accountability	
HF 2440 – Water quality. The legislation adds industries named in the nutrient reduction strategy to the definition of “eligible entity”. The legislation gives industry a seat at the table in water quality discussions as they move forward and evolve.	Passed the House 67-31 Passed Senate 34-12 Signed by Governor Reynolds
SF 512 - Water quality legislation that provides funding for projects that will address Iowa’s nutrient challenges.	Passed Senate 31-19 Passed House 59-41 Signed by Governor Reynolds
HF 2303- DNR policy bill that clarifies definition of recycling, makes changes to reports required by DNR and other cleanup language.	Passed House 97-0 Passed Senate 48-1 Signed by Governor Reynolds
SF 2108/HF 2324 – Environmental penalties. Legislation would have raised the maximum penalties the Environmental Protection Commission could issue from \$10,000 to \$25,000.	Died in House & Senate
HF 575 – Bottle bill elimination. The bill would repeal the five cent deposit and set up a fund to help implement more robust recycling programs across the state.	Passed Environmental Protection House Ways & Means
HF 2155 – Bottle bill expansion. Legislation would have added increased the handling fee from one to two cents and added a five cent deposit to more types of beverage containers.	Died in House
Tax	
HSB 678 -- Local government backfill reduction. Limits the backfill beginning July 1, 2018 for FY 2019. The bill phases the amount local governments will see from \$100 million to \$25 million in 2021.	House Appropriations
SF 2420 - Local government backfill elimination. Two-tiered phase out. Jurisdictions with property tax valuations above state average of 19.5% in last five years, backfill phased out over three years. Jurisdictions under 19.5%, phase out would be six years.	Passed Senate Appropriations

<p>HF 2481/SF2393 – SAVE. Bill would extend the one cent sales tax for education until 2050 and also transfer part of those funds into the Property Tax Relief Fund should SAVE exceed a certain amount of growth. It increases transparency of the use of SAVE dollars.</p>	<p>HF 2481 Passed House 95-3 SF 2392 Passed Senate Ways & Means</p>
<p>HSB 681 - Eliminates the school and county backfill for Tax Increment Financing. Allows schools and counties to voluntarily transfer payments to cities.</p>	<p>Passed House Appropriations Subcommittee</p>
<p>HF 2447 – High Quality Jobs Program. Bill would require that at least 50 percent of the awards from the program go to small cities not located in one of the 11 most populous counties.</p>	<p>Passed House Ways & Means Subcommittee</p>
<p>SF 2161 – Sales tax increase for natural resources. Legislation would raise the sales tax by three-eighths of a cent and require DNR to administer a water monitoring program.</p>	<p>Died in Senate</p>
<p>HF 2478 - Expansion of sales tax exemption on construction equipment purchased by equipment dealers.</p>	<p>Passed House 98-0 Passed Senate 47-0 Signed by Governor Reynolds</p>
<p>HF 2473 - Exempts repair and replacement parts, maintenance services and remodeling from sales tax. Removes the requirement that must be used in scheduled/nonscheduled FAA to qualify.</p>	<p>Passed House Ways & Means</p>
<p>HF 652 - Complete overhaul of tax credit system in Iowa. Eliminates many business tax credits.</p>	<p>Passed House Appropriations House Ways & Means</p>
<p>HSB 636 - Extends timeline for innovation funds to be certified to receive the tax credit from June 2018 to June 2023. Does not alter tax credits.</p>	<p>Provision was adopted in SF 2417</p>