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AROUND THE CAPITOL

Legislators did not meet today. They return to session on Monday. Next week is the second funnel week, when bills need to have cleared committees on both sides. Work should be focused on committee work. No floor work is scheduled for Monday as of today.

In an opinion issued today (No. 21–0696), the Iowa Supreme Court found for two out-of-state electric transmission line companies that sued the IUB and the state over the passage of [HF 2643 FY 2021 APPROPRIATIONS](#) at the end of the 2020 session. The court struck down provisions adding a right-of-first-refusal for incumbent electric transmission owners over new electric transmission lines. Due to the suspension of the 2020 session because of the COVID pandemic, the Legislature combined most of the appropriations bills and Standings into one bill. The two transmission companies said the provisions violated the single-subject requirements and the equal protection clause of the Iowa Constitution. The district court and Court of Appeals ruled that the plaintiffs lacked standing to sue. In a 4-0 decision, with three justices not participating, Justice Waterman wrote that “the likelihood of future projects satisfies the injury-in-fact requirement for standing” and granted a temporary injunction because the plaintiffs showed “a likelihood of success on the merits.”

Justice Waterman reviewed the legislative history and the Senate floor debate of the provision. The right-of-first-refusal for a transmission line had been approved by the Senate in the previous General Assembly but not the House, and in the 88th General Assembly had been introduced but failed in subcommittee ([HSB 540 BUILDING ELECTRIC LINES](#)). Waterman wrote that Senator Breitbach, the manager of the [HF 2643](#), misrepresented the history and the provisions of the bill when introducing it as an amendment and wrote that it was undisputed that the right-of-first refusal “lacked the votes to pass as a standalone measure.” He quoted the plaintiffs in his opinion who called it “a textbook example of logrolling.”

Waterman distinguished the bill from a similar logrolling/single-subject legal challenge against abortion restrictions by writing that the effect and content of the abortion waiting period was known to legislators and would not have failed as a stand-alone bill. In the present case, he wrote that that the enactment of the right-of-first-refusal in [HF 2643](#) “violates the single-subject requirement” and the bill “was enacted with a title that does not comply with article III, section 29” of the Iowa Constitution.

The Supreme Court found grounds for the temporary injunction because the plaintiffs would suffer irreparable harm in not being allowed to bid on projects and that allowing a right-of-first-refusal “will decrease competition and thereby increase the cost of electricity for Iowans.”

ENDING THE WORKDAY AGREEMENT

Governor Reynolds said that she has approved ending the agreement with Workday to update the state financial management system after a review by the DOM and the Office of the Chief Information Officer determined the platform does not meet all of the needs of the state. The state has negotiated a contract with CGI to upgrade the state legacy financial management platform to the new cloud-based solution. The project will begin April 1, 2023, and is estimated to be complete in March 2024. The state intends to continue to use the Workday HCM system in conjunction with the CGI financial management product. Governor Reynolds said that the state has realized a number of operational efficiencies with the Workday system and will continue to manage its human resources processes through the Workday platform.

Governor Reynolds said, "This is not the outcome we wanted, but I'm confident in our team's recommendation and greatly appreciate their diligence throughout this process. Despite the time, effort, and money invested, this decision is the responsible and prudent course of action to ensure the state has the right tools to support our operations, save money over the long term, and improve service to Iowans."

FISCAL IMPACTS

[SF 553](#) NON-RESIDENT DEER LICENSES

Allows a non-resident to purchase a non-resident deer license for 1/2 cost to hunt with a family member on farmland owned or leased by the family member. Exempts such licenses from the quotas on non-resident licenses. Defines family members.

The Senate Natural Resources Committee and the Ways & Means Committee have approved the bill and Senator Driscoll is the floor manager. The bill does not have a House companion but is now a Ways & Means bill and will remain eligible for action in the Senate past the second funnel. If approved by the Senate, the bill will need to be referred to the House Ways & Means Committee to remain eligible. The bill is expected to increase DNR costs by about \$1,000; the amount of money raised for the Fish & Wildlife fund by the new licenses will depend on the number sold. The licenses will cost about \$320; if 300 are sold, the bill will raise about \$100,000; if 15,000 are sold the bill will raise about \$4.8 million.

[HF 647/SF 542](#) CHILD LABOR

Makes changes related to child labor, including striking permits for child/minor child labor, striking some exceptions allowing children under 14 to engage in street work, and on work that can be performed between 14-17. Allows the Labor Commissioner to waive civil penalties. Allows the DWD or the DOE to grant exemptions for students for school-based work. Requires written permission from a parent. Deems that businesses which offer student work-based positions are not liable for specified claims under negligence except under worker's comp. **Alcohol:** Allows a 16/17-year-old to serve alcohol with written permission. **Driving:** Strikes the distance a student lives from a school as a criteria when considering the necessity.

The House Labor & Workforce Committee and Senate Workforce Committee have passed similar versions of the bill out. Representative Deyoe and Senator Dickey are the floor managers. The bills are past the second funnel and will remain eligible for floor action in April. The LSA cannot estimate the fiscal impact of the changes to penalties "due to lack of data." In the case of the current simple misdemeanor related to the serving or sale of alcohol by a minor, there were no convictions in FY 2022 for this offense. DOT is expected to incur about \$20,000 in costs due to the change in driving laws.

TODAY IN THE LEGISLATURE

House Files: none (last introduced HF 683)
 House Study Bills: none (last introduced HSB 233)

Senate Files: none (last introduced SF 556)
 Senate Study Bills: none (last introduced SSB 1208)

HOUSE & SENATE AGENDA

MONDAY, MARCH 27, 2023		
9 AM-3 PM	<i>Latino Day on the Hill</i>	<i>Rotunda</i>
1 PM	HOUSE CONVENES	<i>House Chamber</i>
	SENATE CONVENES	<i>Senate Chamber</i>
2:30 PM	Senate Local Government Committee HF 279 ASSESSOR CONDUCT: Lofgren (C) HF 314 COUNTY COMPENSATION BOARDS: Klimesh (C) HF 540 COUNTY BUILDINGS: Lofgren (C)	<i>Room 116</i>

SUBCOMMITTEE MEETINGS

MONDAY, MARCH 27, 2023

11 AM	House Judiciary Subcommittee SF 525 CRIMINAL MATTERS: Gustoff (C), B Meyer , C Thomson	Room 102
11:30 AM	House Judiciary Subcommittee SF 295 GUARDIANSHIPS & CONSERVATORSHIPS: Gustoff (C), Scheetz , C Thomson	Room 102
NOON	House Agriculture Subcommittee SF 473 LIVESTOCK HEALTH COUNCIL: Harris (C), Isenhardt , Wulf	House Lounge
	Senate Judiciary Subcommittee HF 648 EXPUNGING FINANCIAL RECORDS: Webster (C), Evans , Weiner	Room 217
12:30 PM	Senate Judiciary Subcommittee HF 625 FELON FIREARM SENTENCES: Reichman (C), Knox , Webster	Room 217
1 PM	House Judiciary Subcommittee SF 144 POINTING LASERS AT AIRCRAFT: P Thompson (C), Scheetz , Wheeler	House Lounge
	Senate Judiciary Subcommittee HF 349 PROBATION DISCHARGE CREDITS: Bousselot (C), Knox , Zaun	Room 217
1:30 PM	Senate State Government Subcommittee HF 332 STATE PROPERTY SALES: Brown (C), Koelker , Weiner	Room 217
3 PM	Senate Judiciary Subcommittee HF 657 EVIDENCE & FILE PRESERVATION: Bousselot (C), Petersen , Zaun	Room 217
4 PM	Senate Ways & Means Subcommittee SSB 1207 SUPERMAJORITY TAX INCREASE: Dawson (C), Koelker , Winckler	Room 217