



Client Newsletter

Friday, March 11, 2022

Week in Review

This week saw a lot of floor debate in both chambers. Many bills were voted on and moved to the other chamber for consideration. Floor debate will continue as the session progresses, and committee meetings will pick back up as the chambers consider the bills approved by the other chamber. The second funnel, March 18, is next Friday, which means House Files must be out of Senate Committees, and Senate Files must be out of House Committees. March 18 is also the deadline for filing nomination papers with the Secretary of State. A number of legislators have already filed papers, including Governor Reynolds, or announced their intent to leave the Legislature.

Governor Reynolds Announces Reelection Campaign

On Wednesday, Governor Kim Reynolds officially announced her 2022 reelection campaign at an event at the Iowa State Fair Grounds. If elected, this will be Governor Reynolds second full term as Governor. Her announcement comes one week after her nationally televised, Republican response to President Biden's State of the Union Address. Governor Reynolds became Iowa's first female Governor in Iowa in 2017 when former Governor Terry Brandstad was appointed by President Trump to be the Ambassador to China.

The Democratic front-runner, Deidre DeJear, is a small business owner who previously ran for Secretary of State in 2018. She is the first Black woman in Iowa to be nominated by a major political party for a statewide office. A recent poll found Governor Reynolds has an 8% margin ahead of DeJear. The filing deadline is next Friday, March 18. DeJear has not officially filed yet as of today. The primary election is on June 18.

Revenue Estimating Conference March 2022

The Revenue Estimating Conference (REC) met Thursday March 10 to give its [latest estimate](#) of what state revenues we can expect over the rest of the current fiscal year, and the upcoming fiscal year that begins July 1, 2022. The March estimate indicates an increase in the estimated FY 2022 net General Fund receipts by \$110.5 million compared to the FY 2022 December estimate. The Legislature must use the lower of the two estimates in passing the 2022 budget. The Senate's total budget target is \$8,201.7 billion, the same amount Governor Reynolds released in her budget in January. The House has a target of \$8.2738 billion. The net overall spend difference between the House and the Senate is roughly \$72 million (with the House having the higher overall budget).

Budget proposal bills will begin moving through the subcommittee process over the next week. Bills will then be considered by the House Appropriations Committee. The Governor made the following statement regarding the new estimate, "The projections released today by the REC are very encouraging and again reaffirm why we worked hard this legislative session to pass the largest bipartisan tax reform bill in the history of our state."

Bills on the Move

[SF 2374](#) (Formerly SF 2350) - Alcohol Licenses

- Licenses: Changes liquor control licenses to retail alcohol licenses. Makes changes to the designations for various licenses and makes changes to the powers of the new licenses. Makes conforming changes. Changes fees. Other: Requires that the delivery of alcohol by retailers be completed on the same day the alcohol is removed from the premises. Authorizes keg ID labels instead of stickers. Makes changes to charity licenses. Most provisions effective January 2023.
- AMENDED & PASSED Ways and Means Committee 16-0
- Floor Manager: R Smith

[SSB 3154](#) - Franchise, Insurance & Sales Tax

- Franchise/Insurance Tax: 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. Strikes exemptions or adds to taxable services: web hosting and related services 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. Adds exemptions: 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. Auto Rental: Strikes the auto rental excise tax exemption for peer-to-peer auto sharing networks. Food: 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. NG Pay: Exempts up to \$20,000 in pay for drills and related matters. Net Operating Loss: 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. Stock: Makes changes to employee stock purchases related to the changes in HF 2317.

- AMENDED & PASSED 16-0
- Floor Manager: Dawson

Upcoming Legislative Forums

Friday, March 11

- [Town Hall Meeting-Clarion](#)
- [Legislative Forum-Ankeny](#)
- [Town Hall Meeting-Belmond](#)
- [Town Hall Meeting-Rockwell City](#)
- [Legislative Forum-Black Hawk/Bremer Counties](#)

Saturday, March 12

- [Legislative Coffee-Creston](#)
- [Town Hall-Humboldt](#)
- [Eggs & Issues-Spencer](#)
- [Legislative Forum-Corning](#)
- [March Forum-Mason City](#)
- [Town Hall-Pocahontas](#)

In The News

- [46 manufacturers receive \\$20M in workforce innovation grants from state](#)
- [DMR: 'Enough': President Joe Biden responds to shooting death outside of Des Moines' East High](#)

- [Bloomington announces re-election campaign in new Iowa House District 60](#)
- [Iowa Gov. Kim Reynolds has announced her re-election bid](#)
- [DMR: Iowa Poll: As 2022 governor's race takes shape, Kim Reynolds leads Deidre DeJear](#)
- [Kinney announces reelection campaign in new Iowa Senate District 46](#)
- [Bossman files for re-election in new Iowa House District 14](#)
- [Pate announces re-election campaign for fourth term as Iowa Secretary of State](#)

Senate Schedule Week 10, March 14 - March 18, 2022

IOWA SENATE - Schedule for Week 10, March 14-18, 2022

Subject to Change

Monday, March 14	Tuesday, March 15	Wednesday, March 16	Thursday, March 17	Friday, March 18
	9:00 SESSION 9:30 Rules and Administration RM 22 10:00 Education RM 116 11:00 Labor and Business Relations Room 116	9:00 SESSION 10:00 Commerce RM 116 11:00 State Government Room 116	9:00 SESSION 10:00 Appropriations RM 116 11:00 Ways and Means RM 116	
Noon	Noon	Noon	Noon	Noon
1:00 SESSION 2:00 Transportation RM 116 3:00 Judiciary RM 116	1:00 Agriculture RM 116 2:00 Veterans Affairs RM 116 3:00 Human Resources RM 116	1:00 Natural Resources and Environment RM 116 2:00 Local Government RM 116 3:00 Judiciary RM 116		All committees on call

House Schedule Week Week 10, March 14 - March 18, 2022

House of Representatives Schedule for *Week 10, March 14 - 18, 2022*
Prepared in the Office of House Speaker Pat Grassley

Monday, March 14	Tuesday, March 15	Wednesday, March 16	Thursday, March 17	Friday, March 18
	7:30 Subcommittee Block 8:30 SESSION 9:00 Natural Resources RM 19 Labor RM 102, Sup. Ct. Consult Judiciary RM 103, Sup. Ct. Chamber 10:00 Ways and Means RM 102, Sup. Ct. Consult Appropriations RM 103, Sup. Ct. Chamber	7:30 Subcommittee Block 8:30 SESSION 9:00 Local Government RM 19 Agriculture RM 102, Sup. Ct. Consult Human Resources RM 103, Sup. Ct. Chamber 10:00 Veterans Affairs RM 102, Sup. Ct. Consult Transportation RM 103, Sup. Ct. Chamber Info Tech RM 304 11:00 Public Safety RM 19 Economic Growth RM 102, Sup. Ct. Consult State Government RM 103, Sup. Ct. Chamber	7:30 Subcommittee Block 8:30 SESSION 9:00 Education RM 102, Sup. Ct. Consult Commerce RM 103, Sup. Ct. Chamber 10:00 Ways and Means RM 102, Sup. Ct. Consult Appropriations RM 103, Sup. Ct. Chamber	
Noon	Noon	Noon	Noon	Noon
12:00 Subcommittee Block 1:00 SESSION 5:00 Subcommittee Block	12:00 Subcommittee Block 12:30 SESSION 5:00 Subcommittee Block	12:00 Subcommittee Block 12:30 SESSION 5:00 Subcommittee Block		On Call: All Committees and Budget Subcommittees

The Senate schedule can be found [here](#).

The House schedule can be found [here](#).

The Iowa Cornerstone Team



Matt Hinch | Lillie Brady | David Adelman | Frank Chiodo | Sara Allen

2022 Session Timeline

The full 2022 legislative calendar can be found [here](#).

Below are the key dates of interest.

JANUARY 10 – First day of session (Iowa Code Sec. 2.1)

JANUARY 11 - Governors Condition of the State Address

FEBRUARY 18 – Final date for Senate bills and joint resolutions to be reported out of Senate committees and House bills and joint resolutions out of House committees (First Funnel)

MARCH 18 – Final date for Senate bills and joint resolutions to be reported out of House committees and House bills and joint resolutions out of Senate committees (Second Funnel)

APRIL 19 – 100th calendar day of the session (Per diem expenses end)

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Please don't hesitate to reach out to our team with any comments, questions, or concerns.



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Cornerstone is a full-service, bipartisan consulting firm specializing in federal and state government relations, public affairs and strategic communications, and advisory services.

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