



2023 Iowa Legislative Session Review

The 2023 General Assembly adjourned Sine Die at 12:04pm in the Senate and 12:33pm in the House on May 4. The 90th Iowa General Assembly ended its 2023 session on April 30, after 110 days of work. The legislature passed several bills on various topics, including tax reform, education funding, mental health care, broadband expansion, election integrity, public safety, and redistricting.

The session was marked by several major bills that passed both chambers and were signed into law by Governor Kim Reynolds. Some of the highlights include a tax reform package that lowered income and corporate taxes, a broadband expansion bill that allocated \$100 million for rural internet access, a health care bill that expanded telehealth services and mental health care access, and an education bill that increased funding for public schools and community colleges. The session also saw some contentious debates over issues such as abortion, gun rights, voting rights, and racial justice. The lawmakers will reconvene next year for the 91st session, which is expected to begin on January 8, 2024.

Most of the policies Gov. Kim Reynolds laid out in her Condition of the State address in January made it through the legislative process. One of her top goals was to sign an Educational Savings Account program into law. Before the end of January 2023, she reached her goal, signing into law the education savings program.

Another priority for the governor was property tax reform. On the last day of session, Governor Reynolds signed House File 718 into law, providing an estimated \$100 million in tax relief.

Property Tax, Assessments, and Bond Elections [House File 718](#) (SF 569)

House File 718 is a property tax reform bill that was signed into law by Gov. Reynolds on May 4, 2023. The legislation caps levy rates for cities and counties. Cities will have a general fund levy, consolidated from 15 existing levies, capped at \$8.10 per \$1,000 in taxable value. Counties have a cap of \$3.50 per \$1,000 for general services and \$3.95 for rural services. Local governments are placed into three tiers based on their revenue growth with different formulas to determine how much of the excess revenue must be dedicated to lowering property taxes, and the process for bringing existing property tax rates down to those set maximums.

These caps as well as the new \$6,500 homestead property tax exemption for Iowa seniors and \$8,000 exemption for veterans will mean Iowans pay a smaller share on the assessed value of their homes, farms, or businesses in future years. As Iowa homeowners saw a 22% average growth in home value assessments this year, these measures will mean larger reductions in costs for taxpayers. The decrease in property taxes may limit the ability of local government to fund essential services. It also provides additional relief for older Iowans and military families and requires property tax bill transparency.



The property tax law has included two provisions that would make an addition to the general fund through the nonresidents \$10 convenience fee and the \$2 writing fee for all DNR (Department of Natural Resources) transactions.

The consolidated property tax bill received (94-1) votes in the House and (49-0) in the Senate after amendments. It was enrolled and finally signed into law by Governor Reynolds.

The Recorders Priorities

During the 2023 legislative session, the Iowa County Recorders Association worked with legislators to advance a writing fee bill (SF 498). The recorders also supported a bill on the county land records information system (ESS) SF 141. Recorders also supported several bills that would benefit the county government.

Writing Fee Consistency Senate File 498

The writing fee bill [SF498](#) proposed by the recorders was consolidated into the Senate property tax bill [SF 569](#). This bill would make writing fees uniform for all all-terrain vehicles, snowmobile, and water vessel transactions.

As a background, in 2012, legislation was passed making numerous revisions to Iowa Code 321G (Snowmobiles), 321I (ATVs) and 462A (Watercraft). The watercraft portion specifically states that a writing fee of \$1.25 shall be collected by the recorder. The writing fee would be paid for every boat transfer, renewal, title and lien privilege transaction completed by the Recorder. The writing fee was only charged on a registration for each renewal, user permit and duplicate registration for other off-highway vehicles (ATV, ORV, ORM, OHV) and Snowmobiles). The bill was proposed to charge a consistent fee to make payment for all registration, transfer, renewal, title and lien privilege transaction.

The writing fee was initially set at one dollar and twenty-five cents, making it consistent with writing fees for other DNR transactions. The bill was approved by the Transportation committee and sent to Ways and Means. It was sent to Ways and Means and was consolidated into the property tax bill and the writing fee was increased from one dollar and twenty-five cents (\$1.25) to two dollars (\$2).

County Land Records Information System [Senate File 141](#) (HF 551)

(Did not progress beyond Senate Ways and Means)

A bill relating to access to, and use of the county land record information system ended the session in the Senate Ways and Means Committee. The bill would have affirmed the authority of ESS to establish rules for the use of the website. It would have also authorized the governing board of the county land



record information system (ESS) to provide access to batch records (groundwater hazard documents to the DNR only) or access to aggregated anonymous data (essentially reports on industry and regional trends). The bill did not proceed, but may be re-introduced again next year.

Electronic Registration Renewal [Senate File 519](#)

Most county recorders currently require DNR transactions to be completed in the county office. As a convenience to customers, all the DNR renewals can be completed online. A bill was introduced to make it possible for electronic registration renewals of off-road utility vehicles. It received unanimous support in the Senate and the House and was finally signed into law by Governor Reynolds on May 3, 2023. The significance of this bill will make it possible for counties to complete DNR transactions electronically, and therefore customers can continue to support their counties regardless of their location.

Compensation Bill [House File 314](#)

(Voted on in the Senate but did not progress the House chambers)

During the session, several conversations were held on the compensation board. The debates were heavily focused on the powers of the board of supervisors and whether the compensation board was still relevant. The final proposal agreed to keep the compensation board but set some parameters for their role including a show your work component. The bill would also maintain a compensation floor that would ensure the new recorders receive the same compensation as the former recorder. As the session concluded, an amended HF 314 was passed by the Iowa Senate, but the House did not debate the bill again on the floor.

Real Estate Service Agreements, Enforceability and Recording Act [House File 475](#) (SF 417)

The real estate industry advanced legislation to tackle unfair real estate agreements. During the initial stages of the legislation, recorders and counties would be held liable for recording an unfair agreement. The bill also required recorders to refuse to record unfair agreements or face consequences. The recorders policy team advocated against this part of the legislation, and it was amended. The final text of the bill reads that "the recorders may refuse to record an unfair agreement." It proceeded to the Senate chambers and passed through unanimous vote on April 4th, 2023. The bill received unanimous votes from the House (98-0) and the Senate (50-0) in identical form. Governor Reynolds signed the bill into law on April 28, 2023.



Time of Transfer Inspector Legislation [House File 634](#)

Recorders also advocated for changes to the time of transfer bill. [HF634](#) House File 634 would hold inspectors responsible for any error in their time-of-transfer inspections of private sewage disposal systems. The original bill had also included a section that would hold recorders and counties accountable for not checking the validity of the inspectors or the reports. Through the various advocacy efforts with the committee, the bill was amended. The amended version removes the role of the recorder and makes the certified inspector of the property liable for any errors in the report. The bill was approved by the House members through a unanimous vote. The time-of-transfer bill was passed by unanimous vote in the Senate (50-0) and House (95-0) and sent to the Governor's desk for signature.

Affirmative Defense for Cybersecurity Incidents [House File 553](#) (SF 495)

Several bills were proposed on technology-related matters. One of them lays out the requirements for using an affirmative defense if there is a cybersecurity breach. This bill aims to encourage companies to enhance their cybersecurity measures for safeguarding both their operations and customers against cyber-attacks. The legislation offers an affirmative defense in tort litigation related to data breaches if companies meet the outlined industry-recognized cybersecurity framework requirements. Companies will need to develop a cybersecurity program; counties will also need to ensure that their service providers follow a cybersecurity program. The bill succeeded with a unanimous vote in the House (97-0) and the Senate by a vote of 50-0. Governor Reynolds signed it into law on May 3, 2023.

The Computer Spyware and Ransomware Act [House File 143](#) (SF 203)

County recorders rely on service providers to upload private records, and county recorders are concerned about spyware and ransomware. The bill makes the possession or deployment of ransomware illegal in Iowa, except for research, education, or testing purposes. Violators will be charged with a class (C) or (D) felony. House File 143 was passed by the House with (97-1) vote and the Senate with (50-1). The bill was sent to Governor Reynolds for signing.

Conclusion

The Electronic Services System was honored to have served the Iowa County Recorders Association through the Memorandum of Understanding. One of our goals this year was to introduce ICRA to new legislators. Our policy coordinator attended the majority of subcommittee meetings and used these opportunities to introduce ICRA to new legislators. We increased our engagement through advocacy with committee members to amend bills that were harmful to Recorders and counties. We also ensured that the Recorder's writing fee bill was given priority through repeated advocacy with the Senate Ways



and Means Committee members. The two dollars (\$2) writing fee would result in an addition of \$115,666 to the county general funds. We advocated and opposed two legislations which would have held the county recorder and the county liable for damages. These relationships will serve us well as we look forward to the next legislative session's priorities. Additionally, we engaged with lobbyists to gather information and to support legislation with similar interests. We look forward to the next legislative session and working with you on your priorities.

Dates to Note

June 2023:	Legislative debrief at ICRA Summer School [June 15, 2023]
July 2023:	File your 2023 General Assembly Client Report
August 2023:	Finalize your 2024 Legislative Agenda
August 2023:	Begin outreach to legislators on your 2024 Legislative Agenda
January 8, 2024:	First day of the 2024 Legislative Session
April 17, 2024:	100th Day/Per Diem Expires