

# **Length of Service Award Programs Bill House File 1002**

Last Action:  
**House Appropriations  
Committee**  
April 9, 2025

**An Act authorizing Length of Service Award Programs for volunteer fire fighters, volunteer emergency medical care providers, and reserve peace officers, and making appropriations.**

**Fiscal Services Division  
Legislative Services Agency**

## **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available online at [www.legis.iowa.gov/publications/information/appropriationBillAnalysis](http://www.legis.iowa.gov/publications/information/appropriationBillAnalysis)

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**FUNDING SUMMARY**

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Appropriates \$1.5 million in FY 2026 from the Sports Wagering Receipts Fund to the Department of Revenue (IDR) for deposit into the Length of Service Award Program Grant Fund.	Page 2, Line 18
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**NEW PROGRAMS, SERVICES, OR ACTIVITIES**

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Creates the Length of Service Award Program for volunteer fire fighters, volunteer emergency medical care providers, and reserve peace officers who serve in municipalities that choose to participate in the Program.	Page 1, Line 1
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Creates the Length of Service Award Program Grant Fund under the control of the IDR that will provide grants to municipalities. The grant process will provide up to a dollar-for-dollar funding match from a municipality that has established a Length of Service Award Program, not to exceed \$500 per award recipient.	Page 1, Line 23
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House File 1002 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	1	1	New	100B.51
1	23	2	New	100B.52

1 1 Section 1. NEW SECTION 100B.51 LENGTH OF SERVICE AWARD  
1 2 PROGRAMS — AUTHORIZATION.

1 3 The governing body of a municipality, as defined in section  
1 4 100B.21, is authorized to establish a length of service award  
1 5 program for volunteer fire fighters as defined in section  
1 6 85.61, emergency medical care providers as defined in section  
1 7 147A.1 who are volunteers, and reserve peace officers as  
1 8 defined in section 80D.1A. The program shall provide length  
1 9 of service awards, as described in section 457(e)(11) of the  
1 10 Internal Revenue Code, to volunteer fire fighters, volunteer  
1 11 emergency medical care providers, and reserve peace officers  
1 12 serving a municipality that elects to establish a program. The  
1 13 program shall be designed to treat awards from the program as  
1 14 a tax-deferred benefit under the Internal Revenue Code. The  
1 15 governing body of the municipality shall, in consultation with  
1 16 the chief or other person in command of the fire department  
1 17 and police department serving the municipality, as applicable,  
1 18 adopt guidelines providing for eligibility requirements for  
1 19 participation by volunteer fire fighters, volunteer emergency  
1 20 medical care providers, and reserve peace officers, minimum  
1 21 vesting requirements, distribution requirements, and such other  
1 22 guidelines as deemed necessary to operate the program.

1 23 Sec. 2. NEW SECTION 100B.52 LENGTH OF SERVICE AWARD  
1 24 PROGRAM GRANT FUND — APPROPRIATION.

1 25 1. A length of service award program grant fund is created  
1 26 in the state treasury under the control of the department of  
1 27 revenue. The fund shall consist of all moneys appropriated to  
1 28 the fund.

1 29 2. Moneys in the length of service award program grant fund  
1 30 are appropriated to the department of revenue for the purpose  
1 31 of providing grants to municipalities that have established  
1 32 a length of service award program as described in section  
1 33 100B.51 to provide contributions to the program on behalf  
1 34 of participants in the program. The department of revenue  
1 35 shall adopt rules pursuant to chapter 17A establishing a grant  
2 1 application process. The rules must require a municipality to  
2 2 electronically file the grant application with the department

CODE: Creates the Length of Service Award Program for volunteer fire fighters, volunteer emergency medical care providers, and reserve peace officers who serve municipalities that choose to participate in the Program. Awards are designed to be a tax-deferred benefit under the Internal Revenue Code. Each municipality that chooses to participate in the Program will adopt guidelines defining eligibility, vesting, and distribution requirements.

CODE: Creates the Length of Service Award Program Grant Fund under the control of the Department of Revenue (IDR). Moneys in the Fund will consist of all moneys appropriated to the Fund.

CODE: Appropriates moneys in the Length of Service Award Program Grant Fund to the IDR to provide grants to municipalities. Requires the IDR to adopt administrative rules establishing a grant application process. Requires the grant process to provide for up to a dollar-for-dollar funding match from a municipality that has established a Length of Service Award Program, not to exceed \$500 per award recipient. Requires the grant process to allow municipalities to use moneys received to fund the Program from gifts, devises, bequests, and other sources for providing the funding match.

2 3 of revenue. The grant process shall provide for up to a  
2 4 dollar-for-dollar funding match from a municipality that has  
2 5 established a length of service award program, not to exceed  
2 6 five hundred dollars per person in the program receiving the  
2 7 grant. If the amount in the fund is insufficient to pay all the  
2 8 eligible grants in a fiscal year, the director of revenue shall  
2 9 prorate the moneys awarded to each municipality. The grant  
2 10 process shall allow a municipality to use moneys received to  
2 11 fund the program from gifts, devises, bequests, or any other  
2 12 source for purposes of providing the funding match required by  
2 13 this subsection.

2 14 3. Notwithstanding section 12C.7, subsection 2, interest or  
2 15 earnings on moneys deposited in the fund shall be credited to  
2 16 the fund. Notwithstanding section 8.33, moneys credited to the  
2 17 fund shall not revert at the close of a fiscal year.

2 18 Sec. 3. APPROPRIATION.

2 19 1. There is appropriated from the sports wagering receipts  
2 20 fund created in section 8.57I to the department of revenue for  
2 21 the fiscal year beginning July 1, 2025, and ending June 30,  
2 22 2026, the following amount, or so much thereof as is necessary,  
2 23 to be used for the purposes designated:  
2 24 For deposit in the length of service award program grant fund  
2 25 created in section 100B.52, as enacted by this Act:  
2 26 ..... \$ 1,500,000

2 27 2. Moneys received from the sports wagering receipts fund  
2 28 pursuant to this section are not subject to the reporting  
2 29 requirements provided in section 8.57I, subsections 4 and 5.

CODE: Requires interest earned on moneys in the Fund to remain in the Fund and permits funds remaining at the close of the fiscal year to remain in the Fund.

Appropriates \$1,500,000 in FY 2026 from the Sports Wagering Receipts Fund to the IDR for deposit into the Length of Service Award Program Grant Fund.

Specifies that the IDR, as the State agency receiving Sports Wagering Receipts Fund moneys, is not required to report to the Legislative Services Agency and the Department of Management the status of all projects completed or in progress. Additionally, recipients of moneys from the Sports Wagering Receipts Fund are not required to report to the IDR the status of all projects completed or in progress.

# Administration and Regulation

## Other Funds

	Actual FY 2024 (1)	Estimated FY 2025 (2)	House Approp FY 2026 (3)	Hse Appr FY26 vs Est FY 2025 (4)	Page and Line # (5)
<b>Revenue, Department of</b>					
<b>Revenue, Dept. of</b>					
Length of Service Award Program - SWRF	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000	PG 2 LN 19
<b>Total Revenue, Department of</b>	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000	
<b>Total Administration and Regulation</b>	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000	