



Travel Federation of Iowa

Capitol News

Issue One – January 16, 2006

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News from the Capitol Steps

Legislators returned to Des Moines this week to begin what is being called a “short session” and a “political session.” Legislators agree with the former, but say they are going to set politics aside for the session. That remains to be seen – if you look at the list of bills introduced to date, there are many already helping veterans and seniors – two popular voting blocks to please.

The first week of session is full of speeches. Legislative leaders talked about their priorities in opening day speeches, which give us a sneak peek at the issues that will stand out this session. They include:

Ethanol – Democrats and Republicans alike want to find ways to increase the use of ethanol, but Democrats want to require all gas stations carry ethanol, while Republicans want to give gas stations tax credits for offering ethanol.

Energy Independence – Beyond ethanol, legislators want to find ways to help increase the amount of energy generated from alternative fuel sources. Ethanol is one piece of this strategy, but leaders say they will look at wind energy and other alternative energies. Perhaps they will look at Nebraska – they have built a plant that burns cow-pies (that’s right, manure!) to generate energy.

Minimum Wage – Democrats want to increase the state’s minimum wage by \$1 (to \$6.15/hour), but Republicans are saying no way. As a point of reference, an Iowan working 40 hours/week at a minimum wage job pulls in \$13,000 a year.

Sex Offenders – Last year the Legislature passed one of the toughest sex offender laws in the country, restricting where a sex offender can live. Legislators want to fix some problems with the legislation, and maybe even restrict where they can visit.

Teacher Quality/Teacher Pay – Democrats want to boost professional opportunities and pay for teachers, but Republicans want more educational reforms before pay is addressed.

Health Insurance – Whether its tax credits to small businesses that offer health insurance or legislation allowing groups to get together and form health insurance purchasing pools to spread out risk and bring down costs, legislators say they want to do something to help make health insurance more affordable.

Help For Seniors – House Republicans want to help seniors by eliminating the

income tax on social security income, while Senate Republicans want to freeze the property taxes seniors pay. Both parties want to put more money into the Senior Living Trust Fund to make sure seniors have long-term care options outside of nursing homes.

There have been some changes to the House Committee lists, the result of one Representative (Ray Zirkelbach) leaving for Iraq and another resigning as Appropriations Chair (Bill Dix) to concentrate more on his Congressional campaign. In other legislative news, Rep. Mark Kuhn is recovering well from a farming injury that left him in two leg braces and Rep. Mary Lou Freeman's treatments for breast cancer are going well and she'll be returning to the Capitol soon. On the other side of the rotunda, Sen. Mary Lundby is back in the swing of things after beating an aggressive form of ovarian cancer this summer.

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Status of Tourism Priorities

Friday (the 13th) was the last day for individual Senators to request bill drafts. Senators Pat Ward and Bill Dotzler (Co-Chairs of the Senate Economic Development Appropriations Subcommittee), Senator David Johnson, and Senator Jeff Danielson all signed on to a bill to dedicate .5% of gaming revenues to regional tourism marketing. That would amount to about \$3-5 million more for tourism marketing, putting us close to or just at the Midwest Regional Average.

This bill once introduced will be a companion to HF 698 – our bill from last year that is currently still alive in the House Appropriations Committee, where long-time tourism supporter Rep. Scott Raecker is the new chair. But his hands are tied if we don't turn out a strong showing of support for more tourism funding.

While we led with the good news, there is some unfortunate bad news to follow. Governor Tom Vilsack announced his budget this week – and with it came a \$500,000 cut in tourism promotion! That's right – tourism marketing is taking yet another step backward. Tourism generates the revenues legislators need to meet spending priorities – yet it is consistently underfunded despite proven returns on investment.

We need your help! Contact your legislators THIS WEEK and ask your legislators to:

1. Tell their leaders they want to see more money going into tourism promotion – not less as recommended by the Governor.
2. Ask their leaders to pass HF 698 out of the House and a soon-to-be-introduced Senate companion (sponsored by Ward, Dotzler, Johnston, Danielson).
3. The combination of reinstating the tourism funding in the general fund (\$500,000) and adding a new dedicated source of funding (gaming revenues) would bring Iowa up to the Midwest Regional Average.

4. Invite your legislators to enjoy a night with Iowa's tourism industry at the Tourism Showcase on Wednesday, February 8 at the State Fairgrounds. *(And plan to attend to show your support for expanded funding for tourism marketing!)*

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Bills of Interest

Bills of Interest Held Over From 2005 Session

HF 251 - Tourism Automobile Rental Tax *(Subcommittee: Not assigned) - (Bill Status: House Ways & Means Committee)* - Increases the tax on rental cars by 1% (from 5% to 6%) for tourism marketing.

HF 415 - Department of Tourism Creation *(Subcommittee: Rep. Wilderdyke (Chair), Anderson, Thomas)*-*(Bill Status: House Economic Growth Committee)* - Creates an Iowa Department of Tourism, and transfers duties from the Department of Economic Development. Contains related provisions necessary to complete the transfer.

HF 454 - Early School Start Date Enforcement *(Subcommittee: Rep. Kaufmann) - (Bill Status: Re-referred to House Education Committee)* - Requires the Department of Education to adopt criteria for school start date waiver requests.

HF 698 - Tourism Marketing/ Gambling Set-Aside *(Subcommittee: Rep. Lukan (Chair), Dandekar, May)*-*(Bill Status: House Appropriations Committee)* - Dedicates .5% of gambling dollars to the Office of Tourism for tourism marketing, including regional tourism marketing.

HF 847 - Property Tax Reform Proposal *(Subcommittee: Sen. Connolly (Co-Chair), Miller (Co-Chair), McKibben, Quirnbach)*-*(Bill Status: Senate Ways & Means Committee)* - This property tax proposal is supported by taxpayer groups, bankers, realtors, ABI and the Farm Bureau, and opposed by cities and counties. It includes the following provisions: **Appeals:** Creates a statewide property assessment appeal board, within the Department of Revenue, to hear appeals from the local boards of review. Allows taxpayers to bypass the statewide appeal board and go directly to a district court. Allows appeals to the district court of the state appeal board decisions. **Assessors:** Requires local assessors to use guidelines from the Department of Revenue and allows the department to withhold homestead reimbursements if an assessor willfully disregards those standards. **Rollback:** Includes commercial and industrial property along with agricultural and residential property in the property tax rollback. **Fiscal Impact:** If the last ten years' assessment growth patterns are repeated over the next ten years and local levies are not increased, property taxes will decrease by \$51.8 million in the first year, continuing until it reaches \$267.4 million in ten years. To the extent local taxing authorities can raise levy rates within established limits, they would not experience revenue reductions. The uniform levy rate change would result in \$8 million increase in state expenditures in the first year, increasing annually until it reaches \$41.2 million in the tenth year. Over a ten-year period, the proportion of property taxes paid by residential taxpayers would increase by 2.5%, agricultural taxpayers would increase by .7%, and commercial/industrial taxpayers would decrease by 3.3%.

House Bills Introduced This Week

HF 2004 - County Endowment Fund Increase (*Subcommittee: Not assigned*)- (*Bill Status: House State Government Committee*) - Increases the amount of gaming funds deposited in the county endowment fund from .5% to 1%. The fund distributes money to counties that do not have gambling establishments.

HF 2037 - Targeted State Parks Appropriation (*Subcommittee: Not assigned*)- (*Bill Status: House Economic Growth Committee*) - Currently, there is an annual appropriation of \$1 million to the Department of Economic Development which can then be used by the Department of Natural Resources on targeted state parks. This bill would make that same appropriation go directly to the Department of Cultural Affairs to be used for the same purpose.

HF 2049 - Senior Property Tax Freeze (*Subcommittee: Not assigned*)- (*Bill Status: House Ways & Means Committee*) - Freezes a home's assessed value if owned by a person age 65 and older with a household income twice the amount allowed to qualify for the Elderly or Disabled Property Tax Credit (approximately \$37,000). The assessed value frozen is prior to the rollback. Does not require the state to make up this reduction (so local governments absorb the loss). Retroactive to January 1, 2006.

Senate Bills Introduced This Week

SF 2026 - Support Arts License Plate (*Subcommittee: Not assigned*) - (*Bill Status: Senate Transportation Committee*) - Creates a "Support the Arts" license plate designed jointly by the Department of Transportation and the Iowa Arts Council. The plate is to be issued for a special fee of \$35, plus an additional \$25 for a personalized plate. The renewal fee, which is in addition to the regular annual registration fee for the vehicle, is \$10, plus an additional \$5 for personalized plates. Moneys from the \$35 fee and the \$10 renewal fee are appropriated to the Arts Division of the Department of Cultural Affairs.

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Top Priorities: Iowa Tourism Issues 2006

1. Fund the State Tourism Office at the Midwest Regional Average.
2. Maintain current school year and end early state date waivers.

Important Dates & Deadlines

February 8, 2006 – Tourism Showcase/Tourism Day at the Capitol

March 3rd, 2006 – First Funnel Deadline.

In order for legislation to remain alive, House bills must be reported out of House committees and Senate bills must be reported out of Senate committees. *Ways & Means, Appropriations and Government Oversight committee bills are exempt.

March 24th, 2006 – Second Funnel Deadline.

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April 18th, 2006 – 100th Calendar Day of the 2006 legislative session.
Per Diems for legislators expire.

The Best Resources for Your Tourism Needs:

[Find Your Legislator](#)
[Contact Your Legislator](#)
[Legislative Committee Listings](#)
[Track Legislation \(instantly updated\)](#)
[Listen to Debate \(live\)](#)
[Watch Floor Actions \(updated every 15 minutes\)](#)
[House & Senate Calendars \(weekly & daily\)](#)
[Session Calendar](#)
[How a Bill Becomes a Law](#)
[Guide to the General Assembly](#)

[Your Capitol Team](#)

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