



Travel Federation of Iowa *Capitol News*

LET'S TALK
TOURISM

Issue Three – February 10, 2006

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The pace is really picking up at the Capitol. Several groups each day have their "Day on the Hill" – and somewhere between the breakfasts, lunches, afternoon receptions, and evening receptions the real work of legislating is well underway. Legislators spend their mornings in budget discussions, and most of their afternoons in subcommittee and committee meetings.

As you know, the legislative process in Iowa consists of two tracks – budget and policy – and they run concurrently through the legislative session. The Legislature has tried in the past to do one before the other, but in the end they always determine that they need to do both at the same time.

The budget process began early this week when House Republicans released their budget targets – the amount of money each appropriations subcommittee is authorized to appropriate on the priorities they are responsible for funding. In a lot of ways, the budget target release is considered the beginning of the process because the targets essentially represent a counter-offer to what the Governor submits in the first week of the session.

The House Republicans' budget would spend about \$281 million more than last year's budget and \$200 million less than the Governor's proposal. The Republican budget makes way for a sizable tax cut for seniors and refuses to accept the Governor's proposal to increase the cigarette tax.

The final FY 2007 budget will most likely be somewhere in between the Governor's proposal and House Republicans' proposal. While the House Republicans will move forward and bring their budget through the House, we are hearing that the Governor and legislative leadership are already knee-deep into negotiations over what the final budget will look like. We will likely see all of the appropriations bills amended in the Senate to reflect that compromise.

Meanwhile, the policy bill process is cranking away with anywhere from 25 to 40 subcommittees meeting every day. Subcommittees are basically a sub-group of the larger policy committee, consisting of three to ten legislators chosen by the Committee Chair(s) to review an individual bill. Subcommittees in the House have one more Republican than Democrats and usually have a Republican subcommittee chair. Subcommittees in the Senate have equal numbers from each party (like the regular committees) and have one co-chair from each party (again, just like the regular committees).

Subcommittees often either approve legislation or simply do not act on legislation (thereby killing it). After a subcommittee reports its recommendations to a full committee, the full committee will approve the bill ensuring it will live beyond the first funnel deadline. As that March 3rd deadline approaches, subcommittees will begin to taper off and regular committee meetings will become longer and more frequent. For legislators attending six to ten subcommittees a day now, that will be a welcome change.

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TFI Talks Tourism

TFI's annual Tourism Showcase as held on Wednesday, February 8th at the State Fairgrounds in Des Moines. Only a handful of legislators were unable to attend, despite a former legislator's visitation and three other receptions held that evening. Legislators don't want to miss an opportunity to chat with tourism professionals from their communities, drink blue margaritas, throw the dice to win some goodies, eat cheesecake from our friends in the Gaming Association, sample local wines and cheeses, eat fresh shrimp, and dip their favorite fruits in a giant chocolate fountain.

We appreciate all of the folks who joined us in Des Moines this year to talk about the need for more tourism marketing dollars and the economic loss from schools starting earlier and earlier each year. Highlighting your local attractions brings home the importance of tourism to our legislators – and reminds them of the need to provide more resources to the tourism industry.

Keep up the good work and make sure you thank your legislators for coming to the Showcase!

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Status of Tourism Priorities

By now you have probably heard the good news – legislators are listening and they are scrambling to find a way to help out the tourism industry by finding new sources of funding for tourism marketing and looking for a compromise on the school start date. They are also looking at ways to expand (and perhaps provide funding for) Great Places projects, build on the successes of Vision Iowa/CAT, and support local trails and historic places.

Tourism Marketing Dollars. House Republicans (lead by Rep. Steve Lukan) announced this week at a Press Conference with TFI President Kim Burger that they will restore the Governor's \$500,000 cut in tourism marketing, and add another \$250,000 to the budget. Rep. Lukan (R-Manchester) said he plans to earmark this money, so it will go directly to the Office of Tourism and not be used by DED for other priorities. All of the statehouse media showed up to cover the news conference, which was carried on radio, television and in newspapers around the state. Legislators pointed to tourism's return on investment as proof that marketing Iowa's attractions is good for Iowa, and good for the economy.

Sen. Bill Dotzler (D-Waterloo), who co-chairs the budget subcommittee with Rep. Lukan, said he supports this increase and will continue to look for other available dollars to help bolster our state's tourism marketing efforts. *Please continue to call and email your legislators about increasing tourism marketing dollars – and show up to their local forums. You can find good talking points and facts on the TFI website at: www.travelfederationofiowa.org.*

School Start Date. Prompted by the fact that more than 90% of Iowa's schools start before the September 1 "mandatory" start date, legislators continue to mull over ways to balance the need for Iowa's schools to have adequate instruction time with the need to establish a common school calendar that does not cut the tourism season short. There are a number of bills looking at this (see the attached bill list) – if this is addressed, it will likely be a part of a larger educational reform bill. Some ideas include getting rid of the early start date waiver, and changing the required school year length from 180 days to an equivalent amount of hours (to give schools more flexibility in how they define a school day). *Legislators are very split on how to address this – and if they want to address it. Please continue your calls to legislators and explain how the early start date impacts your communities and attractions.*

Property Tax Reform is an issue that could start moving this year. In the bill list at the end of this update, you'll notice two Senate Study Bills near the end (SSB 3047 & SSB 3085) that deal with property tax reform. These two and three or four other property tax reform bills will likely be assigned to the same subcommittee of individual Senators. Those Senators will be charged with finding good sections from all of the proposals and potentially putting those provisions together into one bill that can be pushed forward. Of particular note to the tourism industry is the re-emergence of the **essential services** provision, a proposal to define "essential services" and force local governments to preserve those services first when making cuts. Essential services are defined in the bill as law enforcement, fire protection service, emergency medical services, street lights, water, sewage and sewage disposal, garbage pickup and garbage disposal, landfills, roads and road maintenance, streets and street maintenance, bridges and bridge maintenance, sidewalks and sidewalk maintenance, snow removal, and local emergency management.

In the House-passed version of the bill last year (HF 847), they stripped the essential services provision before they brought the bill up for a vote. Be aware that this proposal has re-emerged and you may see another call to action on this issue if this provision begins to move forward.

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Bills of Interest

Bills on the House Floor

These bills are safe from the March 3 "funnel" deadline. They must be voted out of the House and out of a Senate Committee before the March 24 funnel at the end of the 11th week of session. Senate Files (SF) listed in this section are safe from both funnel deadlines (March 3 & 24) and will remain alive for the rest of session.

HF 2351 - Eminent Domain Revisions (Rep. Kaufmann, Floor Manager) (Bill Status: House Floor) - This bill would make several changes to Iowa's laws governing eminent domain, including: Defines "public use" to mean use of property by the general public, governmental entities, public or private utilities, or common carriers, NOT economic development. The bill changes from 40 feet to 66 feet the width of a public way that may be acquired by eminent domain by an owner of land without a way to the land. The burden of proof is on the acquiring agency to demonstrate a proposal's status as public use by clear and convincing evidence. The bill strikes the exception of condemnation of agricultural land for industrial purposes. The bill sets out guidelines for official notices and compensation of expenses to the property owner, including for relocation. The bill also restricts the power of a city to acquire property outside the city limits by eminent domain except in very exceptional circumstances. The bill also makes changes to the definitions of "slum area" and "blighted area" in the urban renewal chapter of the Iowa Code.

Bills in House Committees

All House Files (HF) & House Study Bills (HSB) must be voted out of these committees in the next three weeks (by March 3) or they will be dead. Bills in the Appropriations, Government Oversight and Ways & Means Committees are exempt from this deadline.

SF 2056 - Honey Creek Bond Program (Subcommittee: Rep. May (Chair), Bell & Roberts) (Bill Status: House Appropriations Committee) - Last session, the Legislature authorized the Honey Creek Park Authority to issue bonds up to \$28 million to build this destination park at Lake Rathbun. However, the Authority needed \$28 million in net bond revenues, which means the authority needed to go beyond \$28 million. This bill fixes this issue so the Honey Creek development can proceed as planned.

HF 2004 - County Endowment Fund Increase (Subcommittee: Rep. Roberts (Chair), Jacobs & Quirk) (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: Rep. Hoffman (Chair), Soderberg & Thomas) (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 2086 - Enterprise Zone Re-Certification (Subcommittee: Rep. Jenkins (Chair), Schickel, Schueller, Soderberg & Thomas) (Bill Status: House Economic Growth Committee) - Allows a city or county to apply to the Department of Economic Development for re-certification of an enterprise zone if the original certification will expire by February 28, 2011. The re-certification would be in effect for 10 years.

HF 2091 - Enterprise Zone Dates & Distress Criteria (Subcommittee: Rep. Jenkins (Chair), Schickel, Schueller, Soderberg & Thomas) (Bill Status: House Economic Growth Committee) - Currently, under the enterprise zone program, a county or city may apply to the Department of Economic Development for an area to be certified as an enterprise zone at any time prior to March 1, 2006. In order for an enterprise zone to be designated by a county, two of four distress

criteria must be met. The bill changes the date to July 1, 2008 and adds seven possible distress criteria to the previous list.

HF 2094 - County Video Lottery Ban (Subcommittee: Rep. Elgin (Chair), Greiner, Jacobs, Quirk, Roberts, T. Taylor & Whitehead) (Bill Status: House State Government Committee) - Prohibits amusement devices and video lottery in any county which has rejected a proposal for gambling on riverboats or racetracks, unless the county voters subsequently pass a referendum to allow gambling.

HF 2125 - Eminent Domain Revisions (Subcommittee: Rep. Struyk (Chair), Anderson, May, Miller & Wise) (Bill Status: House Economic Growth Committee) - This bill would make several changes to Iowa's laws governing eminent domain, including: Defines "public use" to mean use of property by the general public, governmental entities, public or private utilities, or common carriers, NOT economic development. The burden of proof is on the acquiring agency to demonstrate a proposal's status as public use by clear and convincing evidence. The bill strikes the exception of condemnation of agricultural land for industrial purposes. The bill sets out guidelines for official notices and compensation of expenses to the property owner, including for relocation. The bill also restricts the power of a city to acquire property outside the city limits by eminent domain except in very exceptional circumstances. The bill also makes changes to the definitions of "slum area" and "blighted area" in the urban renewal chapter of the Iowa Code.

HF 2153 & SSB 3062 & HSB 640 - Great Places Program (Subcommittee: Rep. Thomas (Chair), Lalk & Wilderdyke; Sen. Ragan (Co-Chair), Shull (Co-Chair), Hahn & Stewart) (Bill Status: House Economic Growth Committee, Companion Status: Senate & House Economic Growth Committees) - Current law allows three Iowa Great Places projects to be identified by the Iowa Great Places Board, but no others may be designated for two years after the third project is identified. The bill eliminates the two-year waiting period for identifying additional projects. Allows state agencies to give Great Places communities preference in awarding grants, loans and other financial assistance for up to five years following designation (although the Great Places Board can extend this preference time by up to three years).

HF 2167 - Fair Appropriation (Subcommittee: Not assigned) (Bill Status: House Appropriations Committee) - Appropriates \$1.06 million from the Rebuild Iowa infrastructure fund (RIIF) to the office of treasurer of state for county fair infrastructure improvements to qualified fairs which belong to the association of Iowa fairs.

HF 2170 - Iowa Civil War Sesquicentennial Commission (Subcommittee: Not assigned) (Bill Status: House State Government Committee) - Establishes an Iowa Civil War sesquicentennial commission in the office of the governor to plan, coordinate, and administer activities and programs during the years 2011 through 2015 relating to the commemoration of the sesquicentennial of Iowa's involvement in the American Civil War. The commission would consist of 25 members - five appointed by the governor and 20 public members selected by legislative leaders. The commission would have authority to adopt rules, receive and expend funds, and to employ personnel, including an executive director. The bill establishes a sesquicentennial fund under the control of the commission, repeals the commission on June 30, 2016, and directs all fund balances from state appropriations on that date to be returned to the general fund.

HF 2199 - Longer School Calendars (Subcommittee: Rep. Chambers (Chair), Tymeson & Wendt) (Bill Status: House Education Committee) - Gradually increases the number of instructional days in the school calendar. For FY07, increases total days from 180 to 182, with two additional instructional days added each year until the school year reaches 190 days in FY11. Creates a standing unlimited appropriation to pay for this (that means the State will pay for it no matter what the cost).

HF 2206 - Historic & Cultural Tax Credits (Subcommittee: Rep. Wilderdyke, Reichert & Schickel) (Bill Status: House Economic Growth Committee) - Increases the amount of historic preservation and cultural and entertainment district tax credits from \$2.4 million each fiscal year to \$20 million each fiscal year. Of the \$20 million of tax credits, at least \$4 million shall be allocated for purposes of projects with a cost of \$500,000 or less.

HF 2217 - Endow Iowa Standards (Subcommittee: Rep. Roberts (Chair), Jacobs & Quirk) (Bill Status: House State Government Committee) - Requires that endow Iowa qualified community foundations must comply with standards determined by the Department of Economic Development in collaboration with the Iowa Council of Foundations. The bill requires the standards to be substantially similar to but not identical to standards established by the national council on foundations.

HF 2227 & SF 2193 - Historic Property in Enterprise Zones (Subcommittee: Not assigned) (Bill Status: House Ways & Means Committee, Companion Status: Senate Economic Growth Committee) - Similar to HSB 596. For property in a designated enterprise zone that is 50 years old, is either on the national register of historic places or is eligible for such listing, investment tax credits would be available. In a building used primarily as a business, the tax credit would be for up to 10 percent of the rehabilitation costs related to the new jobs created by the occupant business and a refund of state sales and use taxes paid on materials and services used in the rehabilitation. If the property is used for residential purposes, the owner or developer of the property is eligible for an investment tax credit of up to 10 percent of the rehabilitation costs related to the development of the residential units and a refund of state sales and use taxes paid on materials and services used in the rehabilitation. The bill also provides an individual income tax deduction of up to \$2,000 for each of the first five tax years that a taxpayer resides in a condominium located in a qualified historic property located in a designated enterprise zone.

HF 2253 - School Start Date Requirements (Subcommittee: Rep. Dolecheck (Chair), Boal & Ford) (Bill Status: House Education Committee) - Eliminates the school start date waiver and ends the year-round school waiver (but grandfathers in those that already have such a waiver for year-round school). Exempts the five laboratory schools operated at the state universities.

HF 2257 - State Franchise Tax Revenue (Subcommittee: Not assigned) (Bill Status: House Ways & Means Committee) - Reenacts the annual appropriation of \$8.8 million of state franchise tax revenues to cities and counties. This annual appropriation was repealed in 2003 and, under this bill, would commence with the fiscal year beginning July 1, 2006.

HF 2291 - Land Use Planning (Subcommittee: Rep. Fallon (Chair), Rasmussen & Schickel) (Bill Status: House Local Government Committee) - Establishes a statewide land management planning board, which is the current city development board with expanded duties. Creates a land management planning fund to help pay the costs of administering the board's duties. Each metropolitan statistical area county and cities would be required to establish a strategic development committee by September 1, 2006, for the purpose of creating a strategic development plan for the entire county. The bill allows two or more contiguous counties to form one combined committee. The bill contains several related provisions.

HF 2309 & SF 2188 - Community Foundation Fund & Checkoff (Subcommittee: Rep. Anderson (Chair), Schueller & Wilderdyke; Sen. Connolly (Co-Chair), Zaun (Co-Chair), Bolkcom & Ziemann) (Bill Status: House Economic Growth Committee, Companion Status: Senate Ways & Means Committee) - Creates the Community Foundation Fund under the control of the DED and creates a Community Foundation Fund Income Tax Checkoff. Money collected by the checkoff would be credited to the fund to be distributed by DED to qualified community foundations.

HF 2310 - Economic Development Informational Website (Subcommittee: Rep. Lukan (Chair), D. Olson & S. Olson) (Bill Status: House Economic Growth Committee) - Requires the DED to establish and maintain an internet website for purposes of providing informational assistance to the general public regarding business development, community development, quality of life issues, travel, film development, and careers. The bill would require the DED to use Values Fund money for the establishment and maintenance of the website.

HF 2322 - Dedicated Funding for Public Hunting, Parks & Trails (Subcommittee: Not assigned) (Bill Status: House Appropriations Committee) - Puts .5% of all sales tax revenues into a new Conservation Practices Revolving Loan Fund to encourage permanent soil and water conservation practices on private land. Appropriates another 1.5% of the sales tax to a new Public Hunting, Parks, & Trails Program to lease and maintain land for public hunting (40% of the money), improve vertical infrastructure in public parks (30% of the money), and develop recreational trails (30% of the money). Trail funds can be used to repair, develop, promote, and manage recreational trails throughout the state (but it cannot be used to purchase rights of way). Creates a six member advisory board - half are people representing agricultural groups and half are people representing habitat/wildlife groups. Effective 7/1/2007.

HSB 531 - Rural Economic Development Program (Subcommittee: Rep. S. Olson (Chair), Lukan, Schickel, Swaim & Thomas) (Bill Status: House Economic Growth Committee) - Requires the Department of Economic Development to create a rural economic development program for counties with less than 25,000 persons. The bill also creates a rural economic development fund, from which money can be drawn for the program. The money appropriated to the fund would be equal to the amount of any increase in revenue from the FY 2006 budget year from monitor vending machines authorized by the Iowa Lottery Authority.

HSB 567 & HF 2131 - Historic & Cultural Tax Credit Expansion (Subcommittee: Rep. Wilderdyke (Chair), Reichert & Schickel; Rep. Dandekar (Chair), May & Wilderdyke) (Bill Status: House Economic Growth Committee, Companion Status: House Economic Growth Committee) - Currently, \$2.4 million of historic preservation and cultural and entertainment district (CED) tax credits may be approved in a fiscal year, and, for the fiscal period beginning July 1, 2005, and ending June 30, 2015, an additional \$4 million of tax credits may be approved each fiscal year for purposes of projects located in certified cultural and entertainment districts. The bill replaces the additional \$4 million of tax credits with \$17 million of additional tax credits for each of those fiscal years, of which \$15 million of tax credits may be approved each fiscal year for purposes of projects located in certified CEDs. The bill eliminates a restriction that, with the exception of tax credits issued pursuant to contracts entered into prior to July 1, 2005, tax credits shall not be reserved for more than five years.

HSB 596 - Historic Property in Enterprise Zones (Subcommittee: Rep. Wilderdyke (Chair), May, Lalk, Schueller & Reichert) (Bill Status: House Economic Growth Committee) - Similar to HF 2227. For property in a designated enterprise zone that is 50 years old, is either on the national register of historic places or is eligible for such listing, investment tax credits would be available. In a building used primarily as a business, the tax credit would be for up to 10 percent of the rehabilitation costs related to the new jobs created by the occupant business and a refund of state sales and use taxes paid on materials and services used in the rehabilitation. If the property is used for residential purposes, the owner or developer of the property is eligible for an investment tax credit of up to 10 percent of the rehabilitation costs related to the development of the residential units and a refund of state sales and use taxes paid on materials and services used in the rehabilitation.

HSB 610 - TouchPlay Moratorium (Subcommittee: Rep. Elgin (Co-Chair), Greiner (Co-Chair), Jacobs, Quirk, Roberts, T. Taylor & Whitead) (Bill Status: House State Government Committee) - Establishes a moratorium on the number of monitor vending machines authorized by the Iowa lottery authority. The bill provides that the lottery authority shall only authorize the machines either currently located on the premises of a retailer or ordered by a retailer from an authorized manufacturer of the machines on or before January 7, 2006.

HSB 630 - Enterprise Zone Eligibility (Subcommittee: Rep. Jenkins (Chair), Soderberg, Schickel, Wise & Thomas) (Bill Status: House Economic Growth Committee) - Currently, a city with a population of 24,000 or more is eligible to designate an enterprise zone if the enterprise zone meets certain distress criteria. The bill eliminates the 24,000 population threshold and, instead, provides that a city which includes at least two census tracts, as shown by the 2000 certified federal census, is eligible to designate an enterprise zone if the enterprise zone meets certain distress criteria. The bill would also allow a city or county meeting certain to distress criteria to apply for a 10-year extension of the enterprise zone designation. The bill would be effective retroactively to March 1, 2006.

HSB 642 - Destination Project Sales Tax Rebates (Subcommittee: Rep. Struyk (Chair), Soderberg, Anderson, D. Olson & Schueller) (Bill Status: House Economic Growth Committee) - Authorizes the Department of Revenue to rebate state sales tax collected by retailers on purchases made at a significant destination project. The person eligible to receive the rebate is the owner or operator of the project. The bill defines "significant destination project" and allows the rebates to occur for up to the first ten years of the project. Limits the total rebates to \$12.5 million and limits the availability of the rebate when ownership changes.

Bills on the Senate Floor

These bills are safe from the March 3 "funnel" deadline. They must be voted out of the Senate and out of a House Committee before the March 24 funnel at the end of the 11th week of session.

There are no bills currently on the Senate Floor of interest to TFI (the Senate hasn't been as busy as the House...)

Bills in Senate Committees

All Senate Files (SF) & Senate Study Bills (SSB) listed below must be voted out of these committees in the next three weeks (by March 3) or they will be dead. Bills in the Appropriations, Government Oversight and Ways & Means Committees are exempt from this deadline. House Files (HF) listed in this section are safe from both funnel deadlines (March 3 & 24) and will remain alive for the rest of session.

HF 2238 & SSB 3045 - Federal Block Grant Bill (Subcommittee: Sen. Dvorsky (Co-Chair) & Angelo (Co-Chair)) (Bill Status: Senate Appropriations Committee, Companion Status: Senate Appropriations Committee) - Allocates funding that comes down to Iowa from Federal Block Grants, including funds for substance abuse treatment and prevention, community mental health centers, maternal/child health services, child health specialty clinics, preventive health initiatives, community action agencies, community development, low-income energy assistance, social services (including MH/MR/DD/BI local purchase), homeless transition grants, and child care development.

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.

SF 2047 - Athletic Event Sales Tax (Subcommittee: Sen. Quirmbach (Co-Chair), Wieck (Co-Chair), Seng & Zieman) (Bill Status: Senate Ways & Means Committee) - Changes the requirement that cities and counties charge sales tax on services they provide for participating in athletics to a requirement that they collect sales tax only on organized athletic sports sponsored by the city or county.

SF 2050 - Gambling Establishment Wage Thresholds (Subcommittee: Sen. Beall (Co-Chair), McKinley (Co-Chair), Hahn & Rielly) (Bill Status: Senate Economic Growth Committee) - Would require casinos and riverboats to pay wages no less than 130 percent of the average county wage for the county where the facility is located, as determined by the Department of Economic Development.

SF 2061 & HF 698 - Dedicated Funding for Tourism Marketing (Subcommittee: Sen. Behn (Co-Chair), Dotzler (Co-Chair), Brunkhorst & Danielson; Rep. Lukan (Chair), Dandekar & May) (Bill Status: Senate Economic Growth Committee, Companion Status: House Appropriations Committee) - Allocates .5% of the state's share of gambling revenues for tourism marketing (including regional tourism marketing) by the Department of Economic Development's Office of Tourism.

SF 2142 - TouchPlay Prohibition (Subcommittee: Sen. Horn (Co-Chair), McKibben (Co-Chair), Kibbie & Zieman) (Bill Status: Senate State Government Committee) - This bill prohibits the Iowa lottery authority from allowing retailers to offer a monitor vending (TouchPlay) machine that dispenses lottery tickets to the public. The bill also amends the definition of lottery game to exclude the authorization to use a monitor vending machine to dispense lottery tickets. Any machine in use by a retailer prior to the effective date of the bill may continue to be offered to the public for 30 days following the effective date of the bill.

SF 2148 - Regional Sports Authorities (Subcommittee: Sen. Dotzler (Co-Chair), Hahn (Co-Chair), Hatch & Shull) (Bill Status: Senate Economic Growth Committee) - Requires IDED to ask the CVBs in Iowa's ten largest cities to establish a Regional Sports Authority to promote youth sports, high school athletic activities, the Special Olympics, and other local amateur sports events. Establishes a seven-member board in each area (four members appointed by the local CVB and three members appointed by the city council). Appropriates \$2 million, to be spread out equally among all Sports Authorities (\$200,000 each if all ten cities comply).

SF 2150 - School Start Date Waiver Elimination (Subcommittee: Sen. Angelo (Co-Chair), Connolly (Co-Chair), McKinley & Wood) (Bill Status: Senate Education Committee) - Eliminates the school start date waiver.

SF 2156 - Historic Property in Enterprise Zones (Subcommittee: Sen. McCoy (Co-Chair), Zaun (Co-Chair), McKinley & Seng) (Bill Status: Senate Ways & Means Committee) - For property in a designated enterprise zone that is 50 years old, is either on the national register of historic places or is eligible for such listing, investment tax credits would be available. In a building used primarily as a business, the tax credit would be for up to 10 percent of the rehabilitation costs related to the new jobs created by the occupant business and a refund of state sales and use taxes paid on materials and services used in the rehabilitation. If the property is used for residential purposes, the owner or developer of the property is eligible for an investment tax credit of up to 10 percent of the rehabilitation costs related to the development of the residential units and a refund of state sales and use taxes paid on materials and services used in the rehabilitation. The bill also clarifies that the limitations on cultural and entertainment district tax credits do not apply to the tax credits in this bill.

SF 2183 & HSB 629 - Transportation Enterprise Zones (Subcommittee: Sen. Seymour (Floor Manager); Rep. Jenkins(Chair), Schickel, Soderberg, Thomas & Wise) (Bill Status: Senate Floor, Companion Status: House Economic Growth Committee) - Allows any city or county in the state to create an enterprise zone, subject to DED certification, by designating up to four square miles of the city or county for that purpose. In order to be certified, the area must be a blighted area and include or be located within one mile of three of the following: a commercial service airport, a barge terminal or a navigable waterway, entry to a rail line, entry to an interstate highway, or entry to a commercial and industrial highway network.

SF 2200 - Great Places Funding (Subcommittee: Not assigned) (Bill Status: Senate Appropriations Committee) - Appropriates \$500,000 from the Infrastructure Fund to the Department of Cultural Affairs for an Iowa Great Places project in a city with a population between 25,000-30,000 residents.

SF 2201 - CAT/Additional Points to Great Places (Subcommittee: Not assigned) (Bill Status: Senate Economic Growth Committee) - Gives additional points to Community Attractions & Tourism (CAT) project applications that are located in cities or counties that have an Iowa Great Places project.

SSB 3047 - League/ISAC Property Tax Reform (Subcommittee: Sen. Quirnbach (Chair), Zieman, Bolkcom, Connolly, Wieck & Miller) (Bill Status: Senate Ways & Means Committee) - This is the 2006 joint property tax proposal from the Iowa League of Cities and the Iowa State Association of Counties. This bill would make several changes to the state's property tax system, including but limited to the following: Eliminates the rollback for all classes, and sets commercial and industrial property assessments at 100% of market value, agricultural land at 100% of its production value (along with using a 10-year rolling average instead of five), and residential at 50% of market value. The bill would convert the military service property tax credit to an income tax credit, repeals the homestead property tax credit and the agricultural land property tax credit and invest the state revenue from the ag land credit repeal into funding the family farm tax credit. The bill also states the intention that all revenue saved from the homestead credit repeal be invested into school foundation aid. The bill also contains several other provisions.

SSB 3065 - Minimum Hours for Instructional School Time (Subcommittee: Sen. Mulder (Co-Chair), Wood (Co-Chair), Brunkhorst & Connolly) (Bill Status: Senate Education Committee) - Converts the current 180-day school calendar to a required 990 hours of instructional school time in FY07, 1080 in FY08, and 1,260 in FY09 and beyond. Eliminates language setting a minimum school day as 5.5 hours. Eliminates "innovative school year" pilots (because such schools can continue to do this as long as they meet the minimum school days). Requires school districts to hold a public hearing before requesting a change to the school start date.

SSB 3085 - Property Tax - Rollback & Essential Services (Subcommittee: Sen. Miller (Co-Chair), Quirnbach (Co-Chair), Wieck, Zieman, Connolly & Bolkcom) (Bill Status: Senate Ways & Means Committee) - Requires a county or city to adopt a resolution and hold a public hearing before they could raise taxes. The bill changes the number of signatures necessary to protest an adopted county budget from 100 to one-fourth of 1 percent of those voting for the office of governor at the last general election, but not less than 10 nor more than 100. The bill would require cities and counties, when faced with reduced revenue, to first reduce funding for services that are not essential services. The bill defines essential services as police and fire protection, emergency management, streetlights, water and sewage, snow and garbage removal, roads, streets, bridges and sidewalks. The bill also ties the commercial and industrial property into the rollback with residential and agricultural property, and allows for an up to four percent increase in the allowable taxing limit.

SSB 3090 - Transportation Budget (Subcommittee: Sen. Kettering (Co-Chair), Warnstadt (Co-Chair), Angelo & Dvorsky) (Bill Status: Senate Appropriations Committee) - Makes appropriations to the Department of Transportation for the upcoming fiscal year (FY2007), including \$40,000 for the Mississippi River Parkway Commission and \$50,000 for the North America's Superhighway Corridor Coalition. Total appropriations are \$305.3 million - of which \$45.8 million comes from the Road Use Tax Fund and \$259.5 million from the Primary Road Fund (this is an increase of \$3.0 million).

SSB 3116 - Education Reform Bill/Common School Calendar (Subcommittee: Sen. McKinley (Co-Chair), Wood (Co-Chair), Angelo & Connolly) (Bill Status: Senate Education Committee) - Makes a number of changes to the educational system, including giving regional academies that adopt a common school calendar extra school aid.

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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: 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.

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2006 Top Tourism Priorities

1. Increase the Iowa Tourism Office's budget to the Midwest regional average of \$8.3 million. Iowa's current budget of \$3,442,000 is not even half of the Midwest regional average.
2. Maintain a traditional school year calendar.
3. We encourage local interest groups to consider what will best serve the industry in their location and encourage them to advocate for those issues.

Important 2006 Dates to Know:

- **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.** In order for legislation to remain alive, House bills must be reported out of Senate committees and Senate bills must be reported out of House committees. *Ways & Means, Appropriations and Government Oversight committee bills are exempt.
- **April 18th, 2006 - 100th Calendar Day of the 2006 legislative session.** Per Diems for legislators expire, usually signaling the end of the session.

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