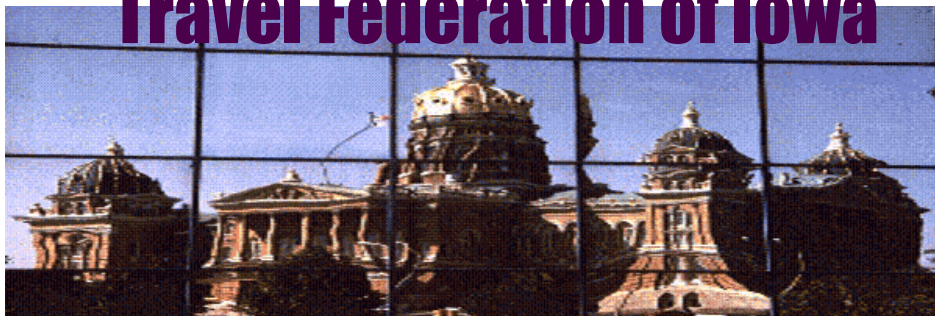


# Travel Federation of Iowa



LET'S TALK  
TOURISM

## Issue Six – March 24, 2006

### News from the Capitol Steps

### Budget News

### Status of Tourism Priorities

### Bills of Interest

### News from the Capitol Steps

Representatives worked hard this week to send dozens of bills over to the Senate, where they were promptly tabled and ignored. It was a quiet funnel week, the silence punctuated occasionally by the groaning of lobbyists, the odd committee meeting, and the sporadic burst of levity during floor debate.

It's hard to paint a picture of what this week looked like – gone are the days of late night committee battles (except those on eminent domain and property tax reform), replaced by gridlock created only by an evenly split Senate. For instance, between the two funnels, the Senate Human Resources Committee met only twice for one hour each. Not enough time to even consider looking at the bills sent to them by the House.

Needless to say, lots of bills met their demise this week in the final funnel deadline. To stay alive for the remaining three weeks of session (that's right – only three weeks to go 'til adjournment), bills had to have passed one chamber and been voted out of committee by the other chamber and be ready for floor debate.

With the final fun-fun-funnel behind them, and not many bills before them, legislative leaders are turning their attention to their exit strategy. Beginning Monday, legislative leaders will be meeting to discuss budgets and try to craft some sort of compromise that is acceptable to the Governor. This process usually takes a couple weeks, putting them right in line for their target adjournment of April 13.

While legislators will get paid until April 18, leaders are targeting the Thursday before Easter as their adjournment goal. It's possible, but legislators are gearing up for a showdown on education during these final weeks of session. While the teacher pay issue is at the forefront of the education budget discussion (4% or 6%), dozens of education reform bills died in the funnel and many legislators want to put together a comprehensive education reform package which could include school start date changes.

If legislators can agree on teacher pay increases (do I hear 5%?), the end game will come about pretty quickly. But that is no easy task – Sen. Gronstal called the House Education Budget “completely unacceptable – the House budget will never pass the Senate and the Legislature will not adjourn before we tear it up and start over.” This will be a fun three weeks.

But not all of the debate at the Capitol has been contentious. Take the debate on the bill prohibiting people from keeping wild animals as pets. The list included lions, tigers and bears (oh, my) and alligators and snakes and ocelots and servals. After Senators asked why other animals (zebras came to mind) weren't on the list, Sen. Dotzler responded by saying “well, I'm sure there is something called a jackass too, but it's not on the list. I'm sure that is a dangerous wild animal, the jackass.”

Seemed an appropriate exchange after a week of doing nothing.

## **BUDGET NEWS**

The Senate now has all but two budgets – the Infrastructure Budget and Standings Bill – they are usually the last two bills out and become the vehicles for any piece of legislation that didn't make it through the traditional legislative process. We should see at least the Infrastructure Budget sometime in the next 10 days.

The biggest budget news this week was the release of the most recent revenue estimates. The Revenue Estimating Conference, which meets quarterly to review how much money is coming into the state's coffers and estimate what that means to the state's bottom line, told lawmakers this week that revenues are coming in much stronger than expected. To date, the State is collecting about \$90 million more than expected, but this includes about \$30 million from video lottery (TouchPlay) machines, which have been outlawed. That means about \$60 million of increased growth to work with.

Some legislators will use this rosy forecast as rationale to increase spending for the next fiscal year, but House Republicans are none too happy about that. Rep. Scott Raecker, the House Appropriations Chair, said "the law is clear, we must abide by December's REC estimate. Any new money this year is already allocated – to property tax credits, repaying the Senior Living Trust Fund, and filling the state's cash reserve." Senate Democratic Majority Leader Mike Gronstal disagreed, and noted that the Legislature used the March estimate last year as its basis for the budget (allowing them to spend more).

As you can see, legislators have their work cut out for them if they want to resolve the budget by April 13.

[\(return to top\)](#)

## **Status of Tourism Priorities**

Tourism priorities have all made it through the funnel and are "live rounds" for the rest of session. Calls from constituents – lots of them – will be the deciding factors on what gets passed and what gets trashed. Please call and email your legislators in the coming weeks, find others to do the same, and watch for action alerts. *This will be the final update until the end of session – but keep your eyes open for action alerts. We may need to turn up the volume in the coming weeks on many of our issues, particularly school start date.*

### **School Start Date (SF 2272)**

Despite being declared "dead" by the Des Moines Register prior to the funnel deadline, the Department of Education Omnibus Bill (which contains the school start date compromise) passed out of the House Education Committee by a vote of 12-7. The bill sets a firm start date of August 25 (no waivers allowed, except for innovative and year-round school years). While the battle has been won, the war is far from over. The floor debate on this issue will be ugly – and it won't be partisan. To beat the educational community, tourism professionals will need to reach deep into their grassroots and generate lots of calls to their Representatives.

During the House Education Committee debate, Rep. Carmen Boal offered an amendment to strip out the compromise and return it to current practice and law. The amendment failed on a vote of 14–8. Below is how each legislator voted on the amendment, and on the bill:

#### Boal Amendment

YES: Representatives Boal, Bukta, Chambers, Cohoon, Kaufmann, Mascher, Schickel & Winckler

NO: Representatives Carroll, Dolecheck, Foege, Granzow, Hogg, Oldson, Paulsen, Raecker, Roberts, Soderberg, Tomenga, Tymeson, Wendt & Wise

ABSENT/NOT VOTING: Representative Ford

**If you live in one of these legislators' districts, please THANK THEM for their vote for SF 2272, and get others to do the same.**

## **Tourism Funding (HF 2459 & HF 2670)**

Tourism funding is looking good for the time being, but don't stop your calls on that. Anything can happen in the final weeks of session and it's easy for things to slip through the cracks. We understand that there is some serious negotiation going on to increase tourism spending this year – but your calls are needed to keep up the momentum.

- ✓ Call your Senators in support of the increased funding earmarked for tourism (\$250,000) in the Economic Development Budget (HF 2459).
- ✓ Call your Representatives & Senators on H 2670 (Community Foundations Bill) – which dedicates .1% of the gaming revenues toward tourism marketing (estimated at about \$1.1 million). This would be an annual automatic appropriation – and it gets us back in the door.

## **Property Tax Reform *aka Return of Essential Services* (HSB 766)**

The House Ways & Means Committee on Wednesday passed a property tax reform bill – House Study Bill 766 - that could have a major impact on local tourism funding. The bill will be re-numbered in the next couple of days since it is now on the House Calendar awaiting action by the full Iowa House. The legislation is similar in several ways to legislation approved last year with 65 Yes votes. HSB 766 contains several sections, but there are two in particular that you need to be aware of.

The first provision is one that WAS called “**essential services**,” but is now referred to as “**Real Property-Related Services**.” This provision would force cities and counties in tight revenue years to keep certain “Real Property-Related Services” whole. The bill defines these services as police and fire protection, emergency management, streetlights, water and sewage, snow and garbage removal, roads, streets, bridges and sidewalks. If cuts need to be made, those cuts would first have to be targeted against city or county functions that the bill does not include under its definitions. Under HSB 766, parks & recreation, tourism offices, trails, and other tourism related expenditures do not appear in the list of Real Property-Related Services.

The second provision to be aware of is one that passed the Iowa House last year in HF 847. Currently, the percentage of assessed value on residential and agricultural property that can be taxed decreases annually (or “**rolls back**”) based a formula. A provision in HSB 766 would tie commercial and industrial property into the rollback in order to stop the shifting of the tax burden between classes. If all classes of property were in a roll back, then city and county revenue becomes more restricted that it currently is.

What is the next step? **This is where you come in.** TFI lobbyists spoke with the HSB 766 floor manager, Rep. Kraig Paulsen, about our concerns with the legislation. He said that TFI members should let their individual legislators know they object to these provisions.

[\(return to top\)](#)

## **Bills of Interest**

---

### **Signed By Governor**

**HF 2238 - Federal Block Grant Bill (Effective 7/1/2006)** - Allocates funding that comes down to Iowa from Federal Block Grants (total of \$4.5 billion) 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 2056 - Honey Creek Bond Program (Effective 3/9/2006)** - 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.

**SF 2232 - Transportation Budget (Effective 7/1/2006)** - 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).

**SF 2330 - TouchPlay Prohibition (Effective 3/20/2006)** - Prohibits the Iowa Lottery from allowing retailers to have monitor vending (TouchPlay) machines. Amends the definition of lottery game to exclude these machines. Gives retailers 45 days to pull the machines (those that do not are taxed heavily each day of operation past the 45 days).

---

## **Bills on House Floor**

**SF 2183 - Transportation Enterprise Zones** (Bill Status: House Floor) - 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. *Rep. Struyk (Floor Manager)*

**SF 2272 - Department of Education Bill** (Bill Status: House Floor) - Makes a number of changes to education, including changing the school start date to August 25 (from September 1) and eliminating the school start date waiver (so schools start no earlier than August 25). Makes this change applicable on July 1, 2007. *Rep. Kaufmann (Floor Manager)*

**HSB 766 - Property Tax Reform** (Bill Status: House Floor) - This bill makes several changes to Iowa's property tax system, including but not limited to the following: The bill would prohibit local governments from increasing property taxes until they adopt a resolution declaring their intent to increase tax dollars and hold a public hearing on the resolution. The bill would change the number of signatures necessary to protest an adopted county budget back to the numbers used prior to 2003. 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. The bill abolishes county compensation boards and transfers their authority to boards of supervisors. *Rep. Paulsen (Floor Manager)*

**HSB 727 & SSB 3047 - League/ISAC Property Tax Reform** (Bill Status: House Floor/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. *Rep. Paulsen (Floor Manager); Sen. Quirmbach (Co-Chair), Zieman (Co-Chair), Bolkom, Connolly, Wieck & Miller*

---

## **Bills on Senate Floor**

**HF 2351 - Eminent Domain Revisions** (Bill Status: Senate 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. *Senate Committee Amendment (S-5118): The amendment makes several changes to HF 2351, many of which make the bill more workable, however, the bill is still extremely restrictive. Some of the changes include: Basing the 75-25 slum and blight threshold on area instead of assessed value, changing the legal threshold that the acquiring agency must meet to "preponderance of the evidence," instead of "clear and convincing." Lake development would again be allowed, but only for water supply and with pretty heavy restrictions that include size limitations based on the water need. The amendment allows "parks and recreational facilities" to be considered as a public use. Compensation limits would be increased from 125% to 130%. Sen. Kreiman (Floor Manager)*

**HF 2459 - Economic Development Budget** (Bill Status: Senate Floor) - Appropriates \$30.8 million to the Departments of Economic Development and Workforce Development, and for Regents economic development programs (\$365,000 increase - all of which goes to DED - \$115,000 to restore last year's cut to the Department and \$250,000 in new funding for cooperative tourism marketing). The new \$250,000 is a separate line-item appropriation. Prohibits DED from charging welcome center fees to non-profit organizations (this language was vetoed by the Governor last year). Requires DED to develop public-private partnerships with Iowa tourism businesses, tour groups, tourism organizations, and local governments to assist in developing advertising efforts. Requires DED to maximize other sources of funding and contributions in advertising and marketing. All other funding is maintained at the current level. NEW LANGUAGE THIS YEAR: Requires any business receiving financial assistance from DED's business development appropriation to sign a contract stating they will hire only US citizens or non-citizens authorized to work in the state. All DED vendors will also be required to comply with this requirement. Effective July 1, 2006. *Sen. Ward (Floor Manager)*

**HF 2663 - DNR Leasing Authority** (Bill Status: Senate Floor) - This bill would block the Iowa Department of Natural Resources from being able to collect lease payments on certain inland lakebeds and riverbeds. *Sen. Johnson (Floor Manager)*

---

## Bills in Committees

**HF 2167 & SSB 3163 - Fair Appropriation** (Bill Status: House Appropriations Committee/Senate 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. *Not assigned; Sen. Angelo (Co-Chair), Dvorsky (Co-Chair), Boettger & Seng*

**HF 2227 - Historic Property in Enterprise Zones** (Bill Status: House Ways & Means 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. *Rep. Soderbeg (Chair), Kurtenbach & Schueller*

**HF 2322 - Dedicated Funding for Public Hunting, Parks & Trails** (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. *Not assigned*

**HF 2368 - Film Promotion Program** (Bill Status: House Ways & Means Committee) - The bill establishes a film promotion program within the department of economic development. The program would be designed to assist legitimate film, television, and video producers in making film, television, and video episodes or segments in the state by granting refundable individual and corporate income tax credits. The amount of the credit would be equal to 10 percent of the program budget spent in the state as long as the program budget exceeds \$250,000. The bill would be effective retroactively to January 1, 2006. *Not assigned*

**HF 2376 - Airport Improvements** (Bill Status: House Appropriations Committee) - Appropriates \$750,000 from the rebuild Iowa infrastructure fund (RIIF) to the state department of transportation for FY 2006-2007 to fund improvements at general aviation airports through a grant program. *Rep. Tymeson (Chair), Maddox & Winckler*

**HF 2407 - Cultural & Entertainment District Tax Breaks** (Bill Status: House Ways & Means Committee) - This bill would allow a contractor or subcontractor to claim a sales and use tax refund for tax paid for gas, electricity, water, or sewer utility services, goods, wares, or merchandise, or for services rendered, furnished, or performed by the contractor or subcontractor in the construction or equipping of a facility located in a cultural and entertainment district. The bill provides an income tax deduction of up to \$25,000 of the gain from the sale of a unique work of art, provided the artist lives and works in a cultural and entertainment district. The deduction applies retroactively to January 1, 2006, for tax years beginning on or after that date. *Not assigned*

**HF 2409 - Hotel/Motel Tax** (Bill Status: House Ways & Means Committee) - Authorizes a city or county that has imposed a local hotel and motel tax at the maximum rate of 7% to impose an additional 2% without holding an election. This additional tax would be repealed when the original 7% tax is repealed or reduced. The bill also directs the city or county when spending revenue derived from the local hotel and motel tax to comply with the Iowa targeted small business procurement Act. A targeted small business is a business that is 51% owned, operated, and actively managed by women, minorities, or disabled persons and has annual gross income of less than \$3 million. *Not assigned*

**HF 2480 - Railroad Loan & Grant Fund** (Bill Status: House Appropriations Committee) - This bill appropriates \$15 million to the railroad revolving loan and grant fund for each fiscal year from 2007-2009 to be used to provide assistance for the restoration, conservation, improvement, and construction of any of the following: railroad main lines, branch lines, switching yards, sidings, rail connections, intermodal yards including intermodal facilities involving a port, port authority, navigable waters of this state, highway grade separations, and other railroad-related improvements and grants for rail economic development projects that improve rail facilities. *Not assigned*

**HF 2527 - Education Budget** (Bill Status: Senate Appropriations Committee) - Appropriates \$948.4 million for educational and cultural programs (this is a \$17.2 million increase). Maintains the current level of funding for the Department of Cultural Affairs (\$240,195), Community Cultural Grants (\$299,240), Historical Division (\$3,239,269), Historic Sites (\$534,676), Arts Division (\$1,181,329), and Great Places (\$200,000). *Sen. Boettger (Co-Chair), Horn (Co-Chair), Angelo & Dvorsky*

**HF 2536 - Sales Tax TIF** (Bill Status: House Ways & Means Committee) - Allows cities with a local option sales tax to establish by ordinance a Sales Tax TIF district to dedicate and use the increase in sales and services tax revenues to pay for loans, advances, indebtedness, and bonds used to assist in the development, redevelopment, improvement, or rehabilitation of an athletic, cultural, or entertainment facility or complex located in the district. Dedication of this increased revenue does not require an election. Owners/operators of the facility must make an actual investment of at least \$5 million (and the project cannot include a gaming establishment or retail mall). Allows the local option sales tax for school infrastructure increment to be used for the project, puts a 10-year time limit on the district, and allows the community to apply for state assistance through DED to receive all or a portion of the state sales tax increment. States what the base year will be. *Not assigned*

**HF 2610 - Historic & Cultural Tax Credit Expansion** (Bill Status: House Ways & Means 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. *Not assigned*

**HF 2614 - Rural Economic Development Program** (Bill Status: House Appropriations 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. *Not assigned*

**HF 2670 - County Endowment Fund Increase** (Bill Status: House Ways & Means Committee) - Increases the amount of gaming funds deposited in the county endowment fund from .5% to 1% and redistributes the money in the following manner: 80% to county endowment funds (about \$3.4 million); 10% to Endow Iowa tax credits (about \$1.1 million); and 10% to DED for tourism marketing (about \$1.1 million). *Rep. Kurtenbach (Chair), Kaufmann & Quirk*

**HF 2683 & SF 2188 - Community Foundation & Firefighter Checkoffs** (Bill Status: House Ways & Means 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. The House bill would also extend for two years the checkoff for Firefighter Preparedness. *Not assigned; Sen. Connolly (Co-Chair), Zaun (Co-Chair), Bolkcom & Zieman*

**HF 2727 - Destination Project Sales Tax Rebates** (Bill Status: House Ways & Means 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 availability of the rebate when ownership changes. *Not assigned*

**HF 2747 - TouchPlay 2** (Bill Status: Senate Ways & Means Committee) - Allows retailers to keep TouchPlay machines in operation until September 1, 2006 (instead of 45 days from the day the ban is signed into law). Effective upon enactment. *Sen. Connolly (Co-Chair), Zieman (Co-Chair), Dotzler & Hahn*

**HF 2766 & SSB 3257 - Recreational Property Tax Class** (Bill Status: House Ways & Means Committee, Companion Status: Senate Ways & Means Committee) - This bill creates a new class of property, recreational property, for purposes of property assessment and taxation, beginning with valuations established on or after January 1, 2007. The bill describes recreational property as a golfcourse, downhill skiing area, amusement park, or water theme park, all of which are operated as a commercial enterprise and are otherwise subject to taxation. The bill provides that recreational property shall be assessed for taxation at 25 percent of its actual value. *Sen. Miller (Co-Chair) & Quirmbach (Co-chair), Bolkcom & Zieman*

**SF 2047 - Athletic Event Sales Tax** (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. *Sen. Quirmbach (Co-Chair), Wieck (Co-Chair), Seng & Zieman*

**SF 2156 - Historic Property in Enterprise Zones** (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. *Sen. McCoy (Co-Chair), Zaun (Co-Chair), McKinley & Seng*

**SF 2200 - Great Places Funding** (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. *Sen. Angelo (Co-Chair), Stewart (Co-Chair), Dvorsky & Kettering*

**SF 2370 - Local Government Innovation** (Bill Status: Senate Appropriations Committee) - Creates the local government innovation commission located in the department of management. The commission would be asked to develop a request for results application and review process to review local governance and revenue models submitted by community-wide areas. The bill would require the commission to report to the general assembly and to the governor's office on or before January 1, 2008, with recommendations for legislative changes that would provide flexibility and freedom to community-wide areas in implementing governance and revenue models. *Sen. Angelo (Co-Chair), Dvorsky (Co-Chair), Kettering & Warnstadt*

**SSB 3085 - Property Tax - Rollback & Essential Services** (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. The bill abolishes county compensation boards and transfers their authority to boards of supervisors. *Sen. Miller (Co-Chair), Quirnbach (Co-Chair), Wieck, Zieman, Connolly & Bolkcom*

**SSB 3250 - Property Tax Reform** (Bill Status: Senate Ways & Means Committee) - Raises the \$5.40 levy to \$8.86 and raises state foundation aid for regular and special education to 100%. The bill abolishes county compensation boards and transfers their responsibilities to the board of supervisors. The bill would lower to 50 the number of signatures necessary to protest an adopted county budget for counties with a population under 25,000. The bill would create an implementation task force to study the implementation of this bill and report to the General Assembly. The bill would freeze the residential and agricultural property rollback. Urban Renewal/TIF: Limits urban renewal and tax increment financing districts to 10 years and prevents the 5.40 levy (which would become the \$8.86 levy) from being part of the TIF increment. *Sen. Miller (Co-Chair), Quirnbach (Co-Chair), Wieck, Zieman, Bolkcom & Connolly*

**SSB 3252 - Property Assessment Study** (Bill Status: House Ways & Means Committee) - This bill directs the state board of regents to establish a study of the property assessment and appeal process relating to property taxation. The bill appropriates \$250,000 to the state board of regents for FY 2006-2007 and FY 2007-2008 to pay the costs of conducting the study and directs the regents to submit a report of the study to the general assembly by February 1, 2008. *Sen. Quirnbach (Co-Chair), Zieman (Co-Chair), Bolkcom & Miller*

---

## Resolutions

*Resolutions do not change law, so they are eligible for debate at anytime. Deadlines do not apply to them.*

**SR 118 - Public-Private Development Projects/Feasibility Study** (Bill Status: Senate Floor) - Requests a feasibility study to explore the possibility of cooperative public-private development projects around public and private lakes in the state. Recommendations are due by December 15, 2006. *Sen. Boettger (Floor Manager)*

[\(return to top\)](#)

## **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 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.

[\(return to top\)](#)

## **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:**

- **April 18<sup>th</sup>, 2006 - 100<sup>th</sup> Calendar Day of the 2006 legislative session.** Per Diems for legislators expire, usually signaling the end of the session.
- **April 28<sup>th</sup>, 2006 - Iowa Tourism Unity Day.** H-yVee Conference Center, West Des Moines.

## **Your Advocacy Toolkit:**

[Find Your Legislator](#)

[Contact Your Legislator](#)

[Legislative Committee Listings](#)

[Track Legislation \(instantly updated\)](#)

[House & Senate Calendars \(weekly & daily\)](#)

[Listen to Debate \(live\)](#)

[Session Calendar](#)

[How a Bill Becomes a Law](#)

[TFI Fast Facts & Legislative Talking Points](#)

[Guide to the General Assembly](#)

## **Your Capitol Team**

Craig Patterson, TFI Lobbyist - [Craig@Campbell-Patterson.com](mailto:Craig@Campbell-Patterson.com)

Amy Campbell, TFI Lobbyist - [Amy@Campbell-Patterson.com](mailto:Amy@Campbell-Patterson.com)