

LET'S TALK TOURISM

Travel Federation of Iowa

Capitol News - #2 (February 1, 2009)

The pace picked up at the Capitol this week, making up for lost time last week when work stopped to honor Dr. Martin Luther King, Jr., for the Inauguration of President Obama, and for the dual funerals of former Senator Mary Lundby and former Representative Rosemary Thomson.

Gone But Not Forgotten - Former Senate Minority Leader Mary Lundby retired from the Legislature last year, after having battled ovarian cancer for several years. Sen. Lundby was a firm believer in equality, hated injustice of any kind, was dedicated to the environment and conservation, and loved public service. When Lundby decided to run for Senate, she was replaced with a former educator and substance abuse counselor Rosemary Thomson. Former Rep. Thomson was known for her kindness and ability to see past political party lines. Thomson died after suffering a stroke on January 19, just days after her predecessor Lundby died of ovarian cancer.

Governor's FY2010 Budget Announced - The Governor came out with his 2010 budget on Wednesday. The budget makes a 6.5% across-the-board cut to all departments and state agencies. This cut is on top of the current year (2009) 1.5% budget cut, so programs are down roughly 7.9% from where they were two years ago. The Governor also began the process of making Iowa's budget more user-friendly. Right now, there are many separate pots of money that fund various programs and services. The Governor has begun to move those pots back into the state's general fund (the "main" pot of money) - so that it is easier for taxpayers to follow and know where the state spends its money. Sometimes, one program will be funded by two or three pots of money, making it really difficult to know how much money in total is spent on it.

One thing to remember when looking at the Governor's budget detail - this is just the Governor's recommendations. The Governor's budget becomes the starting point for legislative discussions. The Legislature still has the authority to change it - or scrap it and start from scratch. You still have lots of time to talk to your legislators about what you would like to see them do about the budget this year.

You can read the Governor's budget documents online here: <http://www.governor.iowa.gov/>. You will need to click on: Governor Culver FY2010 Budget.

You can see the independent fiscal bureau analysis of the budget online here: <http://staffweb.legis.state.ia.us/lfb/>. You will need to look under the heading "Analysis of Budgets" and click on the "LSA Preliminary Summary of Governor's Budget Recommendations."

TFI's Legislative Showcase is TUESDAY, February 3rd!

The Travel Federation of Iowa's annual Legislative Showcase is this Tuesday, February 3, at the Paul R. Knapp Animal Learning Center on the Iowa State Fairgrounds. The event provides the tourism industry with the opportunity to network with legislators and talk with them about TFI's agenda for the 2009 session. This is a great event that is attended every year by a majority of the Legislature.

The Governors FY2010 Budget Recommendations

With the declining state revenues, every facet of state government needs to weather some belt-tightening until revenues improve. The Governor's FY2010 budget recommendations include some real challenges for people in the tourism industry. While the Governor's recommendations are merely a suggestion to the Legislature and the legislators assemble the actual budget bills, they will look carefully at his suggestions because they will need the Governor's signature on their budget bills.

We have noted a few items below that you need be aware of. Be sure you are talking to your legislators about these and all programs that you rely upon to carry out your job. Make them aware of the local implications of increases, decreases and revisions to programs on which you rely for your area's success.

The Governor's FY2010 recommendations:

- ★ Reduces General Fund appropriations to most divisions of the Department of Cultural Affairs by between 6.5% and 8.4%, including administration, community cultural grants, historic and arts divisions and Great Places.
- ★ Reduces funding to DED Administration, Business Development and Community Development each by 8.4% over what was appropriated for FY2009. Tourism Funding comes from Community Development.
- ★ Reduces Great Places Funding from the Rebuild Iowa's Infrastructure Fund (RIIF - gaming revenue) by \$100,000
- ★ Reduces the CAT program from \$12 million down to \$10 million for FY 2010, and holds off for another year on implementing the \$12 River CAT program (which was just passed last session)
- ★ Eliminates RIIF funding for Regional Sports Authorities (\$500K) and Recreational Trails (\$3M)
- ★ Proposes bonding for \$700 million for infrastructure projects using \$56 million per year over 20 years from the Rebuild Iowa's Infrastructure Fund (RIIF - gaming revenue)

TFI's Grassroots Action Center at www.votervoice.net/groups/tfi

You can reach out to your legislators and the Governor in minutes and shoot them a personalized e-mail about tourism issues or ANY issue of importance to you. You don't even need to know beforehand who your legislators are – the system will figure that out for you. You are free to add multiple legislators to a message you are sending – every one of them will get a **personalized** e-mail from you, not a mass e-mail. **Go to www.votervoice.net/groups/tfi. Try it today.**

Historic Tax Credit Hike Discussed

TFI Lobbyists attended this week a subcommittee meeting on [SSB 1086](#), legislation to raise the historic tax credit cap from \$20 million up to \$50 million. TFI is a part of the State Historic Tax Credit Coalition that is pushing for the cap to be raised. Legislators at the subcommittee were all generally supportive of the proposal with some even asking if the program should be capped at all. The subcommittee will wait on some more information from the Department of Revenue that shows the Return on Investment for the tax credit and then will likely meet again to discuss the next steps.

Disaster Recovery Bills Headed for the Governor

This week, the Legislature moved quickly on passing the Governor's request for disaster assistance. The Governor will sign into law the bill ([HF 64](#)) that allocates \$56 million to help communities impacted by last summer's storms and floods.

[House File 64](#) takes money from the state's cash reserves (our state's savings account) to pay for disaster related services, such as:

- * Additional Jumpstart Housing assistance
- * Unmet Needs Grants
- * Community Disaster Grants

In addition, the bill makes the Rebuild Iowa Office a permanent state agency (by putting it into Iowa law). The Rebuild Iowa/Disaster Recovery Bill is the first bill of the 2009 session to be signed into law by Governor Culver. The bill signing is open to the public and will be held on Monday at 11:30 a.m. in the first floor rotunda.

If you are interested in keeping track of disaster recovery and rebuilding efforts, you can read the Rebuild Iowa Office's weekly legislative reports here:

http://www.rio.iowa.gov/news/legislative_weekly/index.html.

Bill Tracker

SF 4 - Local Watershed Improvement Grant Changes (Status: Senate Agriculture Committee)

This bill would increase from three to five years the period of use for Local Watershed Improvement Grants and allow the board act during that five year period to extend the use period another five years. Sen. Hancock Position:

Monitor

Notes: Subcommittee: Hancock (Chair), Black, and Kapucian

SJR 1 & HJR 1 - Sales Tax to Natural Resources (Status: Senate Floor)

This joint resolution to the state constitution would create a natural resources and outdoor recreation trust fund. Three-eighths of one percent would then be added to the state sales tax and the revenue produced would be directed to the trust fund. Sponsored by Sen. Dearden & Rep. Bell Position: Monitor

Notes: SJR 1 Floor Manager: Sen. Dearden HJR 1 House Natural Resources Committee - Subcommittee: Bell (Chair), Beard, Deyoe, Rayhons, and Whitaker

SF 10 - General Soil & Water Conservation Fund (Status: Senate Agriculture Committee)

This bill establishes a general soil and water conservation fund to support financial incentive programs administered by the division of soil conservation within the department of agriculture and land stewardship. This bill also provides that civil penalties assessed by the department of natural resources which arise out of violations involving the discharge of storm water, are to be deposited into this fund. Sponsored by Sen. Johnson Position: Monitor
Notes: Subcommittee: Courtney (Chair), Johnson, and Kibbie

HF 13 - Separation Distance from Attractions (Status: House Agriculture Committee)

This bill provides that a confinement feeding operation structure (i.e., a confinement building, manure storage structure, or egg washwater storage structure) cannot be constructed within three miles of a visitor attraction or two miles from the corporate limits of a city. The bill defines "visitor attraction" as a portion of real estate having unique archaeological, cultural, historical, recreational, scenic, or scientific significance, and that tends to attract the visiting public; or a museum. The bill contains several related details, including an exemption for established operations. Position: Monitor
Notes: Subcommittee: Not yet assigned

HF 11 - Minimum Wage COLA Increase (Status: House Labor Committee)

This bill increases the state minimum hourly wage, including the minimum hourly wage established for employees employed for less than 90 days, annually on July 1 by the same percentage as the cost-of-living increase in social security benefits authorized in the previous fiscal year by the federal social security administration. Position: Monitor
Notes: Subcommittee: Hunter (Chair), Cownie & Mascher

HF 44 - Smoking Ban Changes (Status: House Commerce Committee)

Changes the definition of "bar" (50% or more revenues from the sale of alcoholic beverages) and makes the gaming floors in casinos, racetracks and riverboats smoke-free as well. Sponsored by Rep. Reichert Position: Monitor
Notes: Subcommittee: Petersen (Chair), T. Olson, and Windschitl

SSB 1069 & HSB 53 - Soil & Water Conservation (Status: Senate Appropriations Committee)

Makes a supplemental appropriation (money for current fiscal year, FY 2009) to develop water management strategies, including methods to improve long-term

soil and water management practices. Funds are used to study the impact of agricultural land management on Iowa's hydrology (\$790,500), provide financial incentives to increase the design capacity of conservation structures (\$1.5 million), and develop a statewide map using light detection and ranging (LIDAR) technology to illustrate ground elevations and floodplain locations (\$300,000). Also spends \$450,000 to support urban conservation efforts, including supplementing the number of technicians employed by the Department of Agriculture & Land Stewardship to assist communities to plan strategies for water storage, drainage, and movement. Also appropriates money to prevent soil erosion by providing one-time financing on a cost-share basis to reconstruct or repair soil and water conservation practices which were constructed or maintained by USDA (\$6 million); provide for emergency low-interest loans for the maintenance of soil and water practices, including terraces, grass waterways, and sediment retention basins (\$1.5 million); support emergency technical support and engineering services for allocation to soil and water conservation districts, landowners, or persons providing technical support and engineering (\$3 million); and support additional soil conservation technicians to assist landowners in obtaining state and federal assistance (\$700,000). Requested by Department of Agriculture & Land Stewardship Position: Monitor
Notes: SSB 1069 Subcommittee: Sen. Hogg (Chair), Hahn & Seng HSB 53 House Rebuild Iowa & Disaster Recovery Committee - Subcommittee: Not yet assigned (1/28)

HSB 42 & SSB 1085 - Multiple Historic Preservation Grants in County (Status: House Economic Growth Committee)

This bill would allow the Department of Cultural Affairs to award more than two historic preservation grants in the same county and limit the total amount of grants made in a county to \$200,000 during the same round of grant reviews, rather than limiting the total number of grants made in a county as provided by current law. Position: Monitor
Notes: HSB 42 Subcommittee: Steckman (Chair), Kelley, and Sorenson SSB 1085 Subcommittee: Rielly (Chair), Reynolds, and Wilhelm

HF 74 - Searchable Budget and Tax Information (Status: House State Government Committee)

This bill would require the department of management to develop and make available to the public by January 1, 2011, a single, searchable budget database website which would allow the public at no cost to search an aggregated database that would provide the names and principal location or residence of recipients of state funds, amount of funds expended, the agency that provided those funds, and several other details. The disclosure would not be required for individual recipients of state assistance. The bill would also require the department of management, in consultation with the department of revenue, by January 1, 2010, to develop and operate on an internet site a searchable database of all the tax rates in the state for each taxing district. Sponsored by Rep. Paulsen, Struyk, Helland & Upmeyer Position: Monitor
Notes: Subcommittee: Frevert (Chair), Isenhardt, and Pettengill

SSB 1084 & HSB 106 - Sales Tax Exemption for Private Art Centers (Status: Senate Economic Growth Committee)

This bill would exempt from sales tax the sale of materials and services provided that are used in the operation of a nonprofit private performing arts center. The bill allows the sales tax from construction materials and services used to build a nonprofit private performing arts center to be refunded upon application to the Iowa department of revenue. Requested by Department of Cultural Affairs

Position: Monitor

Notes: SSB 1084 Subcommittee: Schmitz (Chair), Heckroth, and Kapucian HSB 106 Subcommittee: Not yet assigned (1/28)

SSB 1086 - Property Rehabilitation Tax Credit Increase (Status: Senate Economic Growth Committee)

This bill raises the cap on the total amount of tax credits that may be approved for the preservation of historic properties. Current law limits the amount of tax credits available per year to \$20 million for the fiscal year beginning July 1, 2009, and subsequent fiscal years. The bill increases the limit to \$50 million for the fiscal year beginning July 1, 2009, and subsequent fiscal years. Position: Support

Notes: Subcommittee: Dotzler (Chair), Houser, Olive, Reynolds, and Stewart

HF 26 - School Year Day-to-Hour Conversion (Status: House Education Committee)

Replaces the current 180-day school calendar with a required school calendar of 990 hours of instructional time for grades 1-6 and 1,080 hours of instructional time for grades 7-12. Eliminates the authority of the Department of Education to define the minimum school day and allows the minimum hours to include early dismissals or late arrivals for inclement weather or emergency health factors and staff development. Adds a new requirement that the state board define what constitutes instructional time, which the bill states cannot include recess, the lunch period, non-instructional assemblies, late arrival or exceptional dismissal times, or professional development time. Makes a technical change to a provision which specifies that a school district must hold a public hearing on a request to change the school start date prior to submitting the request to the department. Effective July 1, 2011. Sponsored by Rep. Tjpekes Position:

Undecided

Notes: Subcommittee: Wendt (Chair), Dolecheck, & Willems May be opportunity to amend this bill giving school districts more flexibility to require post-Labor Day start date (complete elimination of start date waiver)

Priority

HF 64 - Rebuild Iowa Disaster Recovery (Status: Sent to Governor)

This bill contains disaster assistance through the rebuild Iowa office and makes appropriations. Division I of the bill requires the Iowa Finance Authority (IFA) to establish and administer a jumpstart housing assistance program to provide grants to local government participants for eligible residents for eligible purposes relating to disaster-affected homes. The bill includes eligibility requirements and appropriates \$24 million from the Iowa economic emergency fund for the program. Division II of the bill appropriates \$10 million from the Iowa economic emergency fund to the department of human services for providing disaster aid individual assistance grants. Division III of the bill appropriates from the Iowa economic emergency fund \$22 million for community disaster grants to cities and counties, awarded based on their pro rata share of the total statewide damage costs associated with natural disasters occurring after May 24, 2008, and before August 14, 2008, as calculated by the federal emergency management agency as of January 1, 2009. Division IV of the bill creates a Rebuild Iowa Office for purposes of coordinating the state activities associated with the rebuilding efforts.

Position: Monitor

Notes: Passed House, 98-0; Passed Senate 49-0

SF 44 & HF 95 - Disaster Local Option Sales Tax (Status: Sent to Governor)

Successor to SF 31 & SSB 1065 & HSB 54. This bill allows a city or unincorporated area located in a county in which the president of the United States declared a disaster to exist at any time during 2008 to impose a local option sales tax using an expedited procedure. A city or unincorporated area where a local option sales tax is already imposed on the effective date of the bill is prohibited from using the provisions in this bill. The bill contains details regarding the expedited imposition of the tax. Position: Monitor

Notes: Passed Senate, 32-18; Passed House, 55-37

HSB 116 - Iowa Railway Finance Authority Repeal (Status: House Transportation Committee)

This bill would repeal the Iowa Railway Finance Authority and transfers those duties and responsibilities to the Iowa Department of Transportation (IDOT), including administration of the passenger rail service revolving fund. The bill also expands the authority of the Director of IDOT to enter into agreements for developing passenger rail service serving Iowa. Position: Monitor

Notes: Subcommittee: Bell (Chair), Roberts and Wendt

SF 66 - Historic Tax Credit Changes (Status: Senate Economic Growth Committee)

This bill provides that if the total value of applications for historic preservation tax credits exceeds the aggregate amount of credits that may be approved in a fiscal

year, the department of cultural affairs shall prioritize the applications and award the tax credit certificates based on the following criteria which are listed in order of importance: (1) the potential for positive economic development resulting from the preservation of eligible property; (2) the total costs incurred in a rehabilitation project by an applicant for the tax credit; (3) the relative cultural, historic, or architectural significance of the eligible property; and (4) other relevant criteria adopted by the department of cultural affairs by rule. Position: Monitor
Notes: Subcommittee: Stewart, Houser & Olive

SF 73 - CAT Funding (Status: Senate Appropriations Committee)

This bill would appropriate \$6,068,132 to the community attraction and tourism (CAT) fund for the purpose of funding projects that were in negotiations with the Vision Iowa board on or before September 10, 2008 (when certain state funds were diverted for flood relief). Sponsored by Senator Johnson. Position: Monitor

HF 98 - Recreational Property Tax Exemption (Status: House Ways & Means Committee)

This bill provides an exemption from property taxation for recreational property which is defined as a golf course, downhill skiing area, amusement park, outdoor volleyball park, softball park, or water theme park, if such property is operated as a commercial enterprise and otherwise subject to taxation. The amount of the exemption is equal to 75 percent of the property's actual value. The bill would take effect upon enactment and apply retroactively to assessment years beginning on or after January 1, 2009. Sponsored by Reps. Struyk, Forristall, Huseman, Huser, Mertz, Drake, Rayhons & Horbach. Position: Monitor

HF 76 - School Start Date Compromise (Status: Senate Education Committee)

Changes the school start date to August 25 and eliminates the waiver. Effective upon enactment for school years beginning 2010. Sponsored by Sen. Johnson, Kettering, Kapucian, McKinley, Reynolds, Ward, McKinley, Boettger, Wieck, Seymour, Feenstra, Hahn & Houser Position: Support
Notes: Subcommittee: Not yet assigned

Priority

HF 147 - Recreational Property Class (Status: House 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, 2010. The bill describes recreational property as a golf course, 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. Sponsored by Reps. Struyk, Huser & Forristall
Position: Monitor

HSB 125 - DNR Omnibus Bill (Status: House Natural Resources Committee)

This is a large Iowa Department of Natural Resources bill that contains several sections. Among the many provisions in this bill are the following: allows the natural resource commission to adopt rules relating to the establishment of a program of grants for snowmobile programs; makes several changes regarding all-terrain vehicles; alters existing law regarding hunting with raptors, hunting bobcats and hunting antlerless deer; makes changes to laws pertaining to commercial fishing; increases fees for certain resident and nonresident hunting and fishing licenses and makes other changes to hunting and fishing processes. The bill makes several other changes. Position: Monitor

Notes: Subcommittee: Reps. Bell (Chair), Arnold, Deyoe, Palmer & Whitaker

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