



Travel Federation of Iowa

Capitol News

Issue Two – January 29, 2006

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Legislators are easing their way back into session, spending most of their days in subcommittee meetings and committees, preparing to address the hundreds of bills being introduced. This week saw hundreds of senior citizens and college students stampeding the Capitol in favor of an increase in the tobacco tax, and the first debate of the year in the House (allowed growth for schools). House Republicans won with a 4% increase as planned, while House Democrats had asked for a 6% increase.

Fire alarms went off twice in the last two weeks, causing one State Representative some concern. Rep. Mark Kuhn, who must use a wheelchair while he recovers from a serious farming accident, was stranded on the second floor with nowhere to go (fire alarms = no elevators). After a slew of finger pointing, it appears legislators will begin to address the issue of Capitol accessibility for persons with disabilities, including plans to evacuate the Capitol during emergencies.

Forty-five State Senators stood up together this week to announce a bipartisan plan to fix loopholes in the one-year-old sex offender residency law and provide stricter controls. Also this week, legislators completed work on a veterans funding bill (called the “Michelle and Bobby Bill” by Governor Vilsack) to give grants of up to \$10,000 to National Guard soldiers returning from Iraq with serious injuries. They hope these funds will defray some of the costs families incur during the recovery process, including lots of out-of-state travel to military hospitals. The Governor signed the bill this week as well.

Next week the House plans to take up the elimination of income taxes on Social Security and pension income, in hopes of keeping Iowa’s retiring populations in the state. The bill is likely to pass with near-unanimous support, even though there is much concern over the amount of money that will be lost in the state’s coffers (around \$170 million once it is fully phased-in).

[TFI Talks Tourism](#)

Representatives of the tourism industry “talked tourism” to the legislators serving on the Joint Economic Development Appropriations Subcommittee on Wednesday. This is the committee that will decide how much money will be spent on tourism next year – they set the budget for the Department of Economic Development.

The Committee heard testimony from Nancy Landess (Office of Tourism) and Becky Gruening (TFI Board Member). Nancy gave them a PowerPoint presentation loaded with important and convincing facts, including:

- Tourism is now a \$5 billion industry in Iowa
- Iowa’s 8.3% increase last year outpaced the nationwide increase of 6.8%.
- Tourism accounts for \$273 million in state tax collections
- 54% of Iowa’s travelers come to Iowa April – September
- In 2004, we had 30.4 million visitors

Rep. Lukan took the opportunity to remind everyone present that Nancy Landess was named Tourism Director of the Year in 2004, an honor presented to her by her peers.

TFI Member Becky Gruening also presented to the group, noting that the State Tourism Office supplies a very important way of life for Iowans and that support for their budget is sorely needed. She pointed out that the budget doesn't enable Iowa to market on television and then asked legislators if they were fed up yet watching the Minnesota bear commercials. Becky then turned the focus to the School Start Date issue. She told the committee that the state basically loses about \$17 million in tax revenues per day for every school day in August.

This is the first time members of the committee heard a full day of testimony on the tourism industry. This, combined with your calls, will hopefully help bolster our support for increased funding for the tourism office.

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Status of Tourism Priorities

Tourism advocates got a big shock last week when the Governor's budget came out with a whopping \$500,000 cut in tourism promotion. You might remember this same thing happened last year – but the Governor said it was a mistake. Guess what? After all your calls (and boy did you make calls!), the Governor has again come out to say the cut was all a mistake. We think your calls mattered.

Of the hundreds of email responses we've seen from legislators, not a single one said they would support such a cut. YOU ARE ALL DOING YOUR JOBS!

We now understand that tourism promotion will be level-funded in the Governor's FY07 budget. That was a relief to our tourism champions in the Legislature – they wanted to fight for an increase this year, not fight to recover what we already had. The legislators that have been working hard to get more money for tourism promotion/marketing include:

Rep. Swati Dandekar
Rep. Jack Drake
Rep. Steve Lukan
Rep. Mike May
Rep. Scott Raecker

Sen. Jeff Danielson
Sen. Bill Dotzler
Sen. Mike Gronstal
Sen. David Johnson
Sen. Pat Ward

As you recall, House File 698 was introduced last year. It earmarks 1/2% of the state's gambling revenues to tourism marketing – an estimated \$3-5 million in additional resources. That bill remains in the House Appropriations Committee, which is now chaired by Rep. Scott Raecker, one of our friends. The subcommittee is Rep. Lukan, Rep. Dandekar, and Rep. May – all friends of tourism.

A group of four Senators signed on to an identical bill in the Senate that was introduced this week – SF 2061. The bill, which was sponsored by Sen. Ward, Sen. Johnson, Sen. Dotzler, and Sen. Danielson, was sent to the Senate Economic Growth Committee. Its subcommittee is Sen. Behn (Co-Chair), Sen. Dotzler (Co-Chair), Sen. Brunkhorst, & Sen. Danielson. It's a tough subcommittee with Behn and Brunkhorst, so if you live in the Boone or Waverly areas, make sure you hit them up for help in getting this bill out of committee!

We'll continue to post the names of legislators working on our top priority this year, and continue to forward the responses you get from legislators to Angie Tyner (atyner@councilbluffsiaowa.com). And keep an eye out for her emails, we'll soon be sending out a message asking for your help.

Switching gears, the school start date issue is likely to come up again this session as legislators contemplate massive school reforms. There is much talk of a “uniform calendar” to help with ICN scheduling and university continuing education classes. There is also a lot of talk on the other end about year-long schools. The Des Moines School District is making lots of headlines for its discussions about starting earlier in the summer.

A group of traditional school calendar advocates (those of us requesting that the start date remain at September 1 and be strictly enforced with no or very few waivers) are getting together weekly at the Capitol to strategize. It is obvious that TFI has the strongest set of grassroots advocates, so there may be times we need your help in proving our case. Keep an eye out for requests for help – this could heat up soon.

Sen. John Putney, whose real-life job is heading up the State Fair’s Blue Ribbon Commission, will be introducing legislation to eliminate the waivers to the school start date entirely, requiring schools start no earlier than September 1. That bill has not yet been introduced, but will likely be introduced this coming week.

Keep talking to your legislators – attend their local forums, and continue to press them for more money for tourism (whether through HF 698/SF 2061 or the regular appropriations process) and enforce the current school start date. And invite them to Tourism night on February 8 (what Sen. Dotzler called “the most popular event of the legislative session.”)

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Bills of Interest

HF 2004 - County Endowment Fund Increase (Subcommittee: Rep. Elgin (Chair), Greiner, Jacobs, Quirk, Roberts, T. Taylor & Whitead) - (Bill Status: House State Government Committee) - Increases the amount of gaming funds deposited in the county endowment fund from .5% to 1%. The fund distributes money to counties that do not have gambling establishments.

HF 2037 - Targeted State Parks Appropriation (Subcommittee: Not assigned) - (Bill Status: House Economic Growth Committee) - Currently, there is an annual appropriation of \$1 million to the Department of Economic Development that 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: Not assigned) - (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: Not assigned) - (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 & Whitead) - (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 2120 - Eminent Domain Revisions (Subcommittee: Rep. Kaufmann (Chair), Eichhorn, Jochum, R. Olson, Paulsen, Swaim & Tymeson) - (Bill Status: House Judiciary 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 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.

HF 2125 - Eminent Domain Revisions (Subcommittee: Not assigned) - (Bill Status: House Judiciary 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 - Great Places Program (Subcommittee: Not assigned) - (Bill Status: House Economic Growth Committee) - 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).

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. Quirnbach (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 requires 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 2056 - Honey Creek Bond Program (Floor Manager: Sen. Angelo) - (Bill Status: Senate Floor) - 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 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.

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 563 & SSB 3045 - Federal Block Grant Bill (Subcommittee: Rep. May (Chair), Jacobs & Jacoby; Sen. Dvorsky (Co-Chair) & Angelo (Co-Chair)) - (Bill Status: House Appropriations Committee, Companion Status: Senate Appropriations Committee) - Allocates funding that comes down to Iowa from Federal Block Grants, including CDBG (Community Development Block Grants).

HSB 567 & HF 2131 - Historic & Cultural Tax Credit Expansion (Subcommittee: Rep. Wilderdyke (Chair), Schickel & Reichert; Not assigned) - (Bill Status: House Economic Growth Committee, Companion 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.

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.

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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: Re-referred to House Education Committee) - Requires the Department of Education to adopt criteria for school start date waiver requests.

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

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