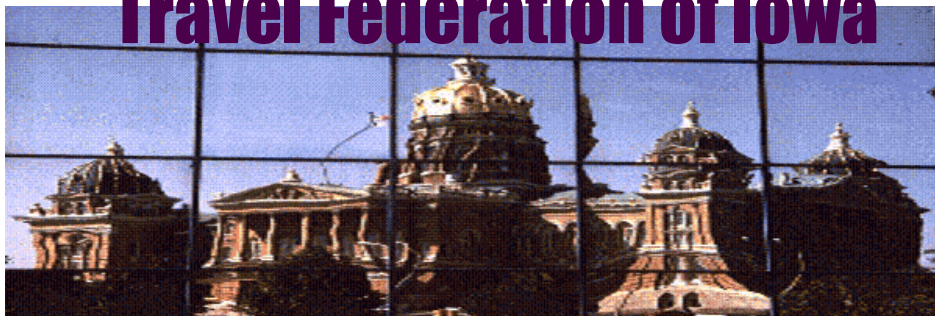


# Travel Federation of Iowa



LET'S TALK  
TOURISM

## Issue Five – March 13, 2006

### News from the Capitol Steps

### Budget News

### Status of Tourism Priorities

### Bills of Interest

### News from the Capitol Steps

The House continues to set an aggressive pace this year, spending late nights already on the floor debating education and spending bills, getting them to the Senate in time for consideration before the next deadline (March 24).

The Senate, on the other hand, seems to be on vacation, working only a couple hours a day and getting out early (ostensibly to spend time rooting for their teams at the Girls Basketball Tournament, and before that, the Wrestling Tournament. I suppose they'll be at the Boys Basketball Tournament this week.

House Republican leaders say they are working hard so that they may send their members home for the year before Easter weekend. Sen. Gronstal said this week he too has set March 13 as his adjournment goal. Legislators are paid for 100 days this session - calendar days paid whether they are working or not. That means their last paid day of session is April 18, just two days after Easter. Leaders think they can be done and out of town before the holiday comes around. And just a note, we have no Jewish legislators in Iowa, so Easter is an official holiday for legislators.

Both chambers will debate TouchPlay early this week - the controversial lottery machines that have popped up on convenience stores and bars across the state. The Senate will take the issue up on Monday, followed by the House on Tuesday. Legislators are looking at everything from a total ban (inviting lawsuits) to moratoriums on expanding to additional sites to strict limitations that would make sure kids do not have access to them.

The debate won't be on party lines, and will be among the most difficult debates of the year (no one likes them, but they bring in lots of money and help out small businesses, so what do you do?). Senate Co-Majority Democratic Leader Mike Gronstal said this week that he believes the Senate will further regulate the machines, rather than totally ban them. Senate Co-Majority Republican Leader Stewart Iverson disagrees, and thinks there are the votes to totally ban the machines.

On the other side, House Minority Leader Pat Murphy says there is much more support for a complete ban in the House, and in a rare occurrence, Speaker of the House Christopher Rants agrees! Rep. Rants was quoted this week that "simply put, without a ban, this problem will only get worse."

After this, debating the budgets on Wednesday and Thursday will be a cakewalk.

### BUDGET NEWS

The House has now passed six of the eleven budgets for the upcoming fiscal year (FY07). Administration/Regulation, Agriculture/Natural Resources, Economic Development, Justice Systems, FY06 Supplemental, and Transportation have all been sent to the Senate. The Senate plans to debate three of these this week (the first three listed above).

The House will debate three of the remaining five bills this week - Education, Health/Human Services, and the Healthy Iowans Tobacco Trust (HITT). They had hoped to finish up all budget work by Friday (St. Patrick's Day), but they will come back the following week to deal

with the Infrastructure budget. The Standings Budget is always the last train out of the station, a catchall for all things that didn't pass through normal channels, so we won't see that one for a while.

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

## **Status of Tourism Priorities**

Tourism Office Director Nancy Landess came back from Washington D.C. with some startling news last week – Iowa is now ranked 48<sup>th</sup> in tourism funding. That's right - Nebraska now beats us by \$1 million! Behind us are Delaware and Rhode Island. The Midwest regional average (without Illinois) is \$8.3 million. Iowa spends \$3.4 million. We've got a long way to go. Watch the TFI website for more information to help you in conversations with your elected officials.

### **Tourism Marketing Funding**

TFI's top priority this year has worked its way into a top priority for some key legislators this year, namely Sen. Bill Dotzler (D-Waterloo) and Rep. Steve Lukan (R-Manchester). Both are chairs of the Economic Development Budget Subcommittee, and they have the support of most of their committees.

Unfortunately, they aren't talking about funding at the level or scale we really need – but it's a good start and it's positive that legislators are recognizing the need and know how much investing in tourism marketing pays off in increased state revenues. Here's where we stand:

- The Economic Development Budget (HF 2459) includes an earmarked \$250,000 for increased regional tourism marketing in DED's Office of Tourism. That's new money that will be available beginning July 1, 2006.
- Rep. Rod Roberts gave tourism professionals cause for celebration when he amended a bill he was managing on community foundations to change the amount of gaming dollars going into qualified community foundations in non-gambling counties, increasing the amount of Endow Iowa tax credits that are available, and giving tourism marketing a new dedicated funding stream. The bill (HF 2670) uses 1% of the gambling dollars generated to fund community foundations (80%), Endow Iowa (10%), and Tourism Marketing (10%). Ten percent equals an estimated \$1.1 million! The bill is now in the House Ways & Means Committee, a move that makes it eligible for debate for the rest of session (it won't be subject to the funnel deadlines). This money will be available beginning FY08 (not next year).

Now for the not-so-good news. There is a rumor that there may be an attempt to shift some of the increased funds earmarked for tourism marketing to the World Food Prize. Apparently, John Ruan is lobbying hard to get \$115,000 more for this event,, and unless Senate leaders increase the overall target for the budget, they have to take it from somewhere else.

Here is what we need you and others you know locally to do:

1. **Contact your State Senator today (Monday)** and ask them to tell their leaders to keep the \$250,000 for tourism marketing in the DED Budget. Tell them we would like to see more added to that line item if possible. The Senate switchboard is 515/281-3371.
2. **Contact your State Representative this week** and tell them to help get HF 2670 out of the House Ways & Means Committee, and to the floor of the House for debate. Tell them how important this funding is to your area and the attractions in your area. The House switchboard is 515/281-3221.

### **Welcome Centers.**

Legislators again put language in the Economic Development Budget (HF 2459) to prohibit DED from charging fees to nonprofit organizations. Last year, the Governor vetoed this language. The bill also includes a requirement that DED develop public-private partnerships with Iowa tourism businesses, tour groups, tourism organizations, and local governments to assist with advertising.

**School Start Date.** Legislators continue to have difficulty with this issue. Sen. John Putney and Sen. Mike Connolly have struck a deal to end the school start date waivers, but move up the start

date to August 25, taking care of the Iowa State Fair. Legislators seem to feel this is as far as they can go, and want to give schools more flexibility in their school year by counting school hours instead of school days. The amendment is to an education reform bill, so it may be the best legislators can do to address the issue this year.

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

## **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.

---

### **Pending Governor's Action**

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

---

### **Companion Bills (Bills in both chambers)**

*Because these bills are in both chambers, either on the calendars ready for debate or in the Appropriations or Ways & Means Committees, they are eligible for debate the rest of session.*

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

**HF 2683 & SF 2188 - Community Foundation & Firefighter Checkoffs (Subcommittee: Not assigned; Sen. Connolly (Co-Chair), Zaun (Co-Chair), Bolcom & Zieman)** - (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.

**SF 2330 & HF 2627 - TouchPlay Prohibition (Sen. McKibben (Floor Manager); Rep. Elgin (Floor Manager))** (Bill Status: Senate Floor, Companion Status: House Floor) - Prohibits the Iowa Lottery from allowing retailers to have monitor vending (TouchPlay) machines. Amends the definition of lottery game to exclude these machines. 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. Effective upon enactment.

---

### **Bills on House Floor**

*House Files in this category must pass the House and a Senate committee before March 24 to*

*remain eligible for debate.*

**HF 2526 - Iowa Civil War Sesquicentennial Commission (Rep. May (Floor Manager))** - (Bill Status: House Floor) - 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 2527 - Education Budget (Rep. Chambers (Floor Manager))** - (Bill Status: House Floor) - 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).

**HF 2591 - Great Places Program (Rep. Thomas (Floor Manager))** - (Bill Status: House Floor) - 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 2595 - Enterprise Zone Eligibility (Rep. Jenkins (Floor Manager))** - (Bill Status: House Floor) - 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 three census tracts with at least 50% of the population in each census tract located in the city, 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 distress criteria to apply for a 10-year extension of the enterprise zone designation (application must be made prior to expiration). Allows a city or county to redefine the enterprise zone boundaries when applying for an extension. Retroactive to 3/1/2006.

**HF 2653 - Land Use Planning (Rep. Fallon (Floor Manager))** - (Bill Status: House Floor) - Defines "comprehensive plan" for the purposes of county and city zoning, and describes the elements that may be included in a comprehensive plan. HF 2663 - DNR Leasing Authority (Rep. May (Floor Manager)) (Bill Status: House Floor) - This bill would block the Iowa Department of Natural Resources from being able to collect lease payments on certain lakebeds and riverbeds.

**HF 2709 - Minimum Hours for Instructional School Time (Rep. Tymeson (Floor Manager))** - (Bill Status: House Floor) - 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.

---

## **Bills on Senate Floor**

*Senate Files in this category must pass the House and a Senate committee before March 24 to remain eligible for debate.*

**SF 2201 - CAT/Additional Points to Great Places (Sen. Warnstadt (Floor Manager); Not assigned)** - (Bill Status: Senate Floor) - Gives additional points to Community Attractions & Tourism (CAT) project applications that are located in cities or counties that have an Iowa Great Places project.

**SF 2370 - Local Government Innovation (Sen. Shull (Floor Manager))** - (Bill Status: Senate Floor) - 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.

---

## **Bills on House Committees**

*Senate Files in this category must pass out of committee before March 24 to remain eligible for debate.*

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

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

**HF 2368 - Film Promotion Program (Subcommittee: Not assigned)** - (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.

**HF 2376 - Airport Improvements (Subcommittee: Not assigned)** - (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.

**HF 2407 - Cultural & Entertainment District Tax Breaks (Subcommittee: Not assigned)** - (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.

**HF 2409 - Hotel/Motel Tax (Subcommittee: Not assigned)** - (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.

**HF 2480 - Railroad Loan & Grant Fund (Subcommittee: Not assigned)** - (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.

**HF 2536 - Sales Tax TIF (Subcommittee: Not assigned)** - (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.

**HF 2610 - Historic & Cultural Tax Credit Expansion (Subcommittee: Not assigned)** - (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.

**HF 2614 - Rural Economic Development Program (Subcommittee: Not assigned)** - (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.

**HF 2670 - County Endowment Fund Increase (Subcommittee: Not assigned)** - (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).

**HF 2727 - Destination Project Sales Tax Rebates (Subcommittee: Not assigned)** - (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.

**SF 2183 - Transportation Enterprise Zones (Subcommittee: Rep. Tymeson (Chair), Carroll & Winckler)** - (Bill Status: House Ways & Means 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.

**HF 698 - Dedicated Funding for Tourism Marketing (Subcommittee: Rep. Lukan (Chair), Dandekar & May)** - (Bill Status: House Appropriations Committee, Companion Status: Dead) - 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 766 - Property Tax Reform (Subcommittee: Rep. Paulsen (Chair), Carroll, Kurtenbach, Shultz & Winckler)** - (Bill Status: House Ways & Means Committee) - 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. SSB 3047 &

**HSB 727 - League/ISAC Property Tax Reform (Subcommittee: Rep. Paulsen (Chair), Carroll, Kurtenbach, Shultz & Winckler)** - (Bill Status: House 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.

---

## **Bills on Senate Committees**

*House Files in this category must pass out of committee before March 24 to remain eligible for debate.*

**HF 2351 - Eminent Domain Revisions (Subcommittee: Sen. Brunkhorst (Co-Chair), Kreiman (Co-Chair), Miller & Quirmbach)** - (Bill Status: Senate 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 2459 - Economic Development Budget (Subcommittee: Sen. Dotzler (Co-Chair), Ward (Co-Chair), Angelo & Dvorsky)** - (Bill Status: Senate Appropriations Committee) - 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.

**SF 2047 - Athletic Event Sales Tax (Subcommittee: Sen. Quirnbach (Co-Chair), Wieck (Co-Chair), Seng & Ziemann)** - (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 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 2200 - Great Places Funding (Subcommittee: Sen. Angelo (Co-Chair), Stewart (Co-Chair), Dvorsky & Kettering)** - (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.

**SSB 3085 - Property Tax - Rollback & Essential Services (Subcommittee: Sen. Miller (Co-Chair), Quirnbach (Co-Chair), Wieck, Ziemann, 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, street lights, 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.

**SSB 3250 - Property Tax Reform (Subcommittee: Sen. Miller (Co-Chair), Quirnbach (Co-Chair), Wieck, Ziemann, Bolkcom & Connolly)** - (Bill Status: House 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.

**SSB 3252 - Property Assessment Study (Subcommittee: Sen. Quirnbach (Co-Chair), Ziemann (Co-Chair), Bolkcom & Miller)** - (Bill Status: Senate 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.

## 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 ( Subcommittee: Sen. Gronstal (Co-Chair), Iverson (Co-Chair), Kibbie & Lamberti) - (Bill Status: Senate Rules & Administration Committee) - 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.**

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

## **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:**

- **March 24<sup>th</sup>, 2006 - Second Funnel Deadline.** In order for legislation to remain alive, House bills must be reported out of Senate committees (Senate bills out of House committees). \*Ways & Means, Appropriations and Government Oversight committee bills are exempt.
- **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.

## **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)

