

LET'S TALK TOURISM

Travel Federation of Iowa

Capitol News - #8 (April 30, 2009)

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The 2009 Legislative Session Is Finalized

It was only fitting that an excruciating legislative session would end with an excruciating week. The First Session of the 83rd General Assembly was completed at 5:55AM on Sunday, April 26, 2009, following basically two all-night sessions. The session ended up requiring 105 days, just 5 days shy of the originally planned 110 days, but well over the 82 day session that was announced as a goal back in late February.

This will be the last update of the legislative session. Since the Governor has 30 days to sign or veto all legislation he has been sent in the waning days of the session, we will send out a quick reminder to check the bill list when the 30 days has expired. In the mean time though, we will be watching the Governor's actions and updating the bill database every time he takes action on bills.

1. Iowa Tourism Budget

It was a dismal year for many state programs and tourism funding is definitely in that same category. The Economic Development Budget ([SF 469](#)) has about a 9.2% budget cut for the department when compared to last year.

The Infrastructure (RIIF) Budget Bill ([HF 822](#)) and Standing Appropriations Bill ([SF 478](#)) were among the last bills to be approved prior to the session's final adjournment. Both bills contained information of interest to tourism professionals (some good and some bad). You'll want to look at the bill descriptions in the Bill Tracker (<http://www.ialobby.com/CPCBillTracker/tabid/59/Default.aspx?cid=TFI>) for more details, but briefly:

- The hotel/motel tax issue that was discussed at the conference was fixed in the Standings Bill. The provision also clarifies that "lodging" for

the purposes of the hotel/motel tax does not include rooms that are not used for sleeping accommodations (ie. meeting rooms, conference halls, etc.)

- The RIIF Bill eliminated funding for CAT and RECAT, but the money for those programs (\$12M and \$10M) is set to come out of the new bonding funds ([SF 376](#)).
- The Infrastructure Budget contained \$500K for regional sports authorities, \$1M for historic preservation grants, \$3.5M for trails (much of which is designated), and several other line items.
- The Standings Bill cut the allocation for DED regional tourism marketing by \$126K to \$958,000 and CAPPED the amount of revenue that can be used for this purpose (remember a couple of years ago, tourism interests were able to get that .5% in direct funding of gaming dollars? Now it is capped!)
- The Standings bill contains a provision that caps the Endow Iowa credit at \$3M and increases the deduction from 20% to 25% (but prevents taxpayers from taking both a credit and the tax deduction).

2. School Start Date

The amendment to HF 732 that would have fixed the school start date issue was never brought up for a vote. As we said before, due to your advocacy, it appeared that we may have mustered enough votes to pass the amendment. Rather than let the amendment pass, several legislators told us that the Iowa Association of School Boards asked the legislative leadership to kill the whole bill.

Senator David Johnson offered a similar amendment in the Senate to the Standings bill. The amendment was defeated in a non-recorded vote.

As we have said previously, while it is easy to be discouraged by this, DON'T BE! This signifies we have turned a corner on this issue and are getting legislators to really understand the lunacy of school boards' actions on this. Keep talking to your legislators about this! Don't let up!

3. TIME-21 and the Gas Tax

Despite our best efforts, we were unable to gain approval for a gas tax increase this year to be devoted to road infrastructure. However, the Governor and the Legislature negotiated a very large bonding deal that will spend well over \$700 Million on flood relief in impacted areas, on road

projects and on job creation. The proposal is split out among three bills you will see in the TFI Bill Tracker (all with titles starting with "Bonding") (<http://www.ialobby.com/CPCBillTracker/tabid/59/Default.aspx?cid=TFI>)

Historic Tax Credit Increase

TFI worked alongside a number of groups to push through a bill ([SF 481](#)) that raises the historic property tax credit from \$20M up to \$50M. The Governor recently announced that he will sign SF 481 into law at 1:15PM on Monday, May 4th at the historic Roshek Building in Dubuque.

Thanks are in order to Dave Adelman and Jill Connors and many other groups and lobbyists who led the charge on getting this bill through the process. There were a number of setbacks along the way to keeping this bill moving forward and we are glad to see it nearing the finish line.

Economic Development Tax Credit Cap

The Governor and the Senate made it clear they would not go home without a bill establishing an aggregate cap over several economic development tax credit programs. The bill that passed the Senate ([SF 483](#)) had a \$175M hard cap that DED predicted could be reached in a relatively short period of time. The cap would include the Enterprise Zone and HQJC programs along with the **Film Credit** program. In the House, the bill was altered to exempt current awards that are not yet signed, to raise the cap to \$185M and more importantly to allow the DED to carry overages forward into the next year.

Falling Short - Labor Bills, Federal Deductibility, Gay Marriage Amendment

Fair Share, Prevailing Wage, Choice of Doctor and Open Scope Collective Bargaining all failed to gain approval before the Legislature adjourned for the year.

A proposal to eliminate personal income tax federal deductibility was not acted upon by either the House or the Senate prior to adjournment. The proposal would have raised about \$595 million by eliminating deductibility and then spent the \$595 million buying down the income tax rates and increasing the standard deduction.

The Legislature also did not take action on a constitutional amendment to ban gay marriage in Iowa. Such resolutions need to be passed by *two different General Assemblies* before going before the public for a vote. Since this was the first year of the 83rd General Assembly, any action taken by the Legislature in 2009 would have the exact same effect as waiting until 2010.

The TFI Bill Tracker List is Available at:

<http://www.ialobby.com/CPCBillTracker/tabid/59/Default.aspx?cid=TFI>

Remember - The bill tracker contains several functions that we are still refining. You can view individual bills along with our description in the list by pressing the "Details" link below the bill title. Additionally, you can go directly to the bill's listing on the Iowa General Assembly's website by clicking on the bill's number. If your goal is to get the full bill list and copy and paste it for your own use, you can do that by clicking the "Print All" link at the beginning of the bill list.

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Your Capitol Team

Craig Patterson, TFI Lobbyist - Craig@Campbell-Patterson.com

Amy Campbell, TFI Lobbyist - Amy@Campbell-Patterson.com