

## Ryan Waller

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**From:** Iowa League of Cities <legislativestaff@iowaleague.org>  
**Sent:** Friday, April 5, 2019 11:02 AM  
**To:** Ryan Waller  
**Subject:** Legislative Link



April 5, 2019

88th General Assembly

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[Property Tax Reform - Amended](#) | [Reprisal for Employees](#) | [Criminal Surcharge Fee](#) | [Hotel Motel Tax Extension](#) | [Acquisition of Land for Water Quality Initiatives](#) | [Lawful Preexisting Nonconfirming Use](#) | [Electric and Special Fuel Vehicle Tax](#) | [Legislative Forums](#) | [League Updates](#)

## You need to know

- **AMENDMENT RELEASED:** HSB165, a property tax reform bill, continues to be the top issue the League is working to impact. A strike after amendment was released on Thursday afternoon. **This bill is expected to be discussed in the House Ways & Means Committee next week. It is important that you reach out to your legislators and discuss with them the impacts that this legislation could have on your city.**
- Second Funnel was this week. With few exceptions, a bill must have been passed out of a full committee in both the House and Senate to still be considered. Property tax reform is considered by the Ways & Means Committee, which is not subject to the funnel.
- Appropriation bills are starting to be debated at committee level including the [Rebuild Iowa Infrastructure Fund \(RIIF\)](#). This is a symbolic milestone in the legislative session which marks the beginning of the end of the session. [Legislator's per diem ends on May 3.](#)

## HSB165 | **Property Tax Reform** - As amended

*This section discusses HSB165 as amended by the strike after amendment that was released on Thursday. The amendment is not yet available online through the legislative website. The League is providing a PDF for our members to review.*

The amended version of HSB165 has several main components.

**2% Revenue Growth Limitation:** The 2% revenue growth limitation is set below uncontrollable increases to costs that cities face (e.g. IPERS and 411 contribution rate increases, and public safety wages and benefits to name a few). The bill does provide a method to exceed this limitation which may result in a reverse referendum. 271 cities would need to go through that process if their revenues needed to increase next year by more than \$1,000. If a reverse referendum does occur, the cost of an election will be at least \$3,000 and increases based on the size of the city. Thankfully, the amendment allows the amount exceeded in a previous year to be included in the maximum property tax dollars that may be levied to the following year.

**Trust and Agency Levy Eliminated:** The amendment eliminates the ability for cities to use the Trust and Agency Levy to pay for anything other than receiving gifts. This means that cities cannot use this fund for pension payments or other employee benefits. This, along with ending fund balance restrictions, may have negative impacts on a city's credit rating.

**Caps Unassigned Ending Fund Balance at 25%:** This may affect a city's ability to plan for natural disasters or other large unforeseen expenses. Without adequate ending fund balances a city would be forced to take on more debt. Additionally, lowering unassigned ending fund balances may negatively impact a city's credit rating, making borrowing money more expensive.

It is very important that you reach out to your legislators and let them know how this bill impacts your individual city. [Your legislators contact information can be found here.](#)

## [SF502](#) | **Prevention of Reprisal for Employees**

- Successor to [SF400](#).
- Prevents reprisals for providing information to human resource officers and also directs cities to inform employees of the purpose and authority of the office of the ombudsman.
- Specific language says a city shall create procedures to notify new employees of the authority of the office of the ombudsman to investigate complaints as well as provide the toll free number for the ombudsman to employees.
- Passed out of the Senate as well as the House Local Government subcommittee.
- League is registered undecided on the bill.

## [SF457](#) | **Criminal Surcharge Fee**

- Successor and companion to [SSB1059](#) and [SF225](#).
- Raises criminal penalties, eliminates certain surcharges, and restructures the division of revenues in an attempt to provide more clear and transparent criminal penalties.
- Passed out of House Ways and Means Committee.
- League is registered undecided.

## [HF760](#) | **Hotel Motel Tax Extension**

- Successor and companion to [HF171](#) and [SF131](#).
- Allows Hotel and Motel tax to be collected on room rentals for 90 days. After 90 days, the tax is exempted.

- Passed out of House Ways and Means Committee.
- League is registered in support of the bill.

## **SF548 | Acquisition of Land for Water Quality**

### **Initiatives**

- Successor to [SSB1221](#).
- Prohibits State Revolving Fund loans to be used to acquire property for resale to a political subdivision, the department of natural resources, or the federal government.
- Passed out of the Senate as well as House Natural Resources Committee.
- League is registered undecided.

## **HF701 | Restrictions on Lawful Preexisting**

### **Nonconforming Use**

- Companion and successor to [HSB100](#), [SSB1141](#) and [SF368](#).
- Prevents a city from enforcing or passing an ordinance that would prevent the replacement of a mobile home with another mobile home of similar features and dwelling units.
- This prohibition applies unless there is a safety concern.
- Passed out of the House and was placed on Senate “unfinished business calendar.”
- League is registered in opposition.

## **HF725 | Electric and Special Fuel Vehicle Tax**

- Provides a special car registration for electric vehicles that is in addition to standard registration.

- Provides Road Use Tax Fund (RUTF) levies on alternative fuels such as electricity or hydrogen in order to pay for infrastructure costs that are typically paid for by a gasoline tax.
- Passed out of the House Ways and Means Committee.
- League is registered undecided.

## Legislative Forums

### April 5

[Sen. Amy Sinclair in Corydon](#)

[Rep. Heather Matson in Ankeny](#)

[Sen. Amy Sinclair in Chariton](#)

[Sen. Amy Sinclair in Osceola](#)

[Sen. Amy Sinclair in Leon](#)

### April 6

[Rep. Wes Breckenridge in Prairie City](#)

[Rep. David Sieck in Malvern](#)

[Rep. Karin Derry in Johnston](#)

[Rep. Megan Jones in Emmetsburg](#)

[Sen. Dan Dawson, Rep. Charlie McConkey, Rep. Mary Ann Hanusa, Rep. Jon Jacobsen and Sen. Tom Shipley in Council Bluffs](#)

[Rep. Gary Carlson, Rep. Bobby Kaufmann, Rep. David Kerr, Sen. Thomas Greene, Sen. Mark Lofgren and Sen. Zach Wahls in Muscatine](#)

[Rep. Tim Kapucian and Rep. Dave Maxwell in Grinnell](#)

[Rep. Kenan Judge and Sen. Charles Schneider in Waukee](#)

[Sen. Mariannette Miller-Meeks, Sen. Ken Rozenboom, Rep. Holly Brink, and](#)

[Rep. Mary Gaskill in Ottumwa](#)

[Rep. Lindsay James in Dubuque](#)

[Rep. Cecil Dolecheck and Rep. David Sieck in Red Oak](#)

[Rep. Matt Windschitl and Sen. Jason Schultz in Onawa](#)

[Rep. Jennifer Konfrst in Clive](#)

[Rep. David Maxwell in Williamsburg](#)

[Rep. Bruce Bearinger in Oelwein](#)

[Rep. David Kerr in Wappello](#)

**April 8**

[Rep. Marti Anderson in Des Moines](#)

## League Updates

### **Robert Palmer – Des Moines Business Record Forty Under 40**

We're proud to congratulate Robert Palmer, general counsel and director of government affairs, on being a [2019 Business Record Forty Under 40](#) Honoree. Each year, the Business Record recognizes 40 local leaders who have demonstrated impressive career achievements and unparalleled community involvement. This year's class joins the 760 past Business Record Forty Under 40 honorees to bring the total number of honorees to 800 since the Business Record began the awards in 2000.

[Applications are due today, April 5](#), for the League's 2019 All-Star Community Award, which recognizes city projects implemented or completed in the 2018 calendar year.

[Get even more updates and news from the League](#) by subscribing to League Weekly. That newsletter is emailed each Tuesday and includes grant opportunities, workshops and more.

**Thank you for taking the time to read the League's legislative newsletter, *Legislative Link*.**

As always, *Legislative Link* is a snapshot of the League's overall government affairs efforts. It is meant to provide as much information as possible without overwhelming you with the minutia of the legislative process. It is important to know that all of this information including bill numbers, viability, and even the bills contents are constantly changing until they are signed into law by the

Governor. If you have any questions about the legislative process in Iowa, if you would like to get more information about legislation listed above, if you would like to know about legislation that is not listed above, or if you want to learn how you can be more involved in advancing the League's Legislative Values through grassroots outreach, please contact [danielstalder@iowaleague.org](mailto:danielstalder@iowaleague.org).



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You are receiving this email because you requested legislative updates from the Iowa League of Cities.

The League sends Legislative Link on Fridays during session, and it contains a snapshot of where pertinent bills are throughout the legislative process. Legislative Link is designed to educate and inform members of the current legislative process and climate as a first step to engaging and helping the League create positive outcomes for cities across Iowa. We hope you will help advance our legislative values, and we welcome your support.

**Our mailing address is:**

Iowa League of Cities  
500 SW 7th Street  
Suite 101  
Des Moines, IA 50309

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