

Ryan Waller

From: Iowa League of Cities <legislativestaff@iowaleague.org>
Sent: Friday, April 12, 2019 12:08 PM
To: Ryan Waller
Subject: Property Tax bill eligible for floor debate



Legislative Link

April 12, 2019

88th General Assembly

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You need to know

- The Property Tax Reform Bill was voted out of the House Ways and Means Committee and has been assigned a new bill number: [HF773](#). It is now eligible for floor debate. See below for what has changed and what has not. The League is registered against the amended bill.
- Legislator's per diem ends on May 3.

[HF773](#) | **Property Tax Reform**

- Formerly [HSB165](#).
- House Ways and Means Committee adopted several amendments to the legislation. Members of the committee stated an intent to make more amendments on the House floor. One such amendment would allow pension obligations to be paid for by an uncapped, unvoted levy outside

of the general fund. Language on how this would be accomplished is not yet available.

- The major changes from previous versions are:
 - **Amount exceeded built into future years base:** If a city uses the process to exceed the 2% soft-cap established by the bill, the amount the city exceeds by will be built into the next year's base when determining future years maximum revenues. This prevents a city from having to annually request additional funds for recurring expenses.
 - **Changes timeline to file resolution to exceed the 2% cap:** The amendment changes the deadline for submitting the resolution to exceed from December 31 to January 31. This allows cities to receive necessary financial information from the county assessor and Department of Management before moving forward with a decision to increase taxes.
- Items that remain in the bill that concern our members:
 - **2% "soft-cap" needs to be increased:** The bill still contains the 2% revenue growth limitation before a city must use the process to exceed, which could lead to a reverse referendum. 2% is not related to any index that reflects the increasing costs of goods and services. For example, increases in infrastructure expenses as well as health care may create a situation where the process to exceed needs to be used on a regular basis in communities that do not have significant "net new" property. If the legislature wishes to use a "soft-cap" percentage, then the percentage should be raised to a number that reflects the annual increases in expenses that cities face.
 - **Reverse Referendum needs to be replaced by a supermajority vote of the council:** The process to exceed provided by the legislation still contains the possibility of a reverse referendum occurring, which is an expensive proposition for communities that will need to exceed simply to pay for ongoing expenses. An election will cost our smallest members \$3,000,

which does not include the additional outreach that will be required to explain to residents why they must vote again, even though they already voted to elect their city officials. In addition, our members have strong concerns that interest groups will hire out-of-city groups to collect signatures triggering the referendum, a situation which is occurring across the country. Residents of the community will then be left to pay for the election. For many cities the cost of these special elections are higher than the threshold of increased revenues it takes to trigger one. This provision should be changed to a supermajority vote of the council to exceed.

Pensions and Employee Benefits need to be moved outside of the cap:

Currently, the pension and employee benefits expenses that many cities use the Trust and Agency Levy to pay for remain under the 2% cap. Legislators have expressed a willingness to address this portion of the bill, but it will be important to make sure the language is drafted correctly. The best solution would be to simply remove the impacts to the Trust and Agency levy from the legislation. In addition to pensions, employee benefits also need to be outside the cap since they fluctuate greatly and annual increases regularly exceed 2%.

Because Property Tax Reform has now passed through committee, it is eligible for floor debate. 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.](#)

HSB252 | Rural Revitalization Centers

- Companion to [HF468](#).
- Establishes the Rural Economic Revitalization Centers with four locations across the state focused on economic development, community improvement and policy advancements for rural Iowa communities.

- Requires that at least 50 percent of the tax incentives awarded by the authority each fiscal year shall be allocated for projects located in a small city based upon certain criteria.
- Passed through House Appropriations subcommittee.
- 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.
- Passed the Senate floor and is now sent to the Governor.
- League is registered in opposition.

[HF772](#) | **Empower Rural Iowa**

- Companion and successor to [HSB204](#) and [SSB1193](#).
- Expands low to moderate income housing tax credit small city set aside to \$10 million.
- Updates the criteria for rural broadband grants to reflect a changing figure as determined by the Federal Communications Commission rather than a specific download or upload speed.
- Amendment alters the definition of a small city to reflect recent population estimates rather than 2010 census data.
- Amended and passed out of House Ways & Means Committee.
- League is registered in favor.

[HF774](#) | **Automated Traffic Enforcement Regulation**

- Successor and companion to [HSB125](#) and [HF674](#).

- Requires regulations, requirements and notifications prior to a city utilizing an automated traffic enforcement (ATE) device.
- Mandates that revenues from ATE be divided with 60% going to the State's general fund and 40% going to the local authority to fund public safety, after expenses are removed for the installation, operation and maintenance of the system.
- This is the only ATE bill still active in the legislative process. Other legislation, outright banning ATE devices, died in the second legislative funnel.
- Passed out of House Appropriations Subcommittee and is now eligible for floor debate.
- League is registered in opposition.

SSB1184 | **Disposal of City Utilities**

- Allows a city with a specific population threshold to forego certain procedures before selling a city-owned utility.
- Amendment was adopted at Senate Ways and Means Committee in order to narrow the criteria even further.
- League is registered undecided.

Legislative Forums

April 12

[Rep. Heather Matson in Ankeny](#)

[Sen. Pam Jochum and Sen. Liz Mathis](#)

[Sen. Liz Mathis and Sen. Pam Jochum in Manchester](#)

April 13

[Rep. Megan Jones and Rep. John Wills in Spencer](#)

[Rep. Bruce Bearinger in Independence](#)

[Sen. Tony Bisignano, Sen. Claire Celsi, Rep. Marti Anderson, Rep. Bruce](#)

[Hunter, Rep. Ako Abdul-Samad, Rep. Jo Oldson and Rep. Jennifer Konfrst in Des Moines](#)

[Rep. Mary Wolfe, Rep. Norlin Mommsen, and Sen. Chris Cournoyer in Clinton Rep. Brian Lohse and Sen. Zach Nunn in Bondurant](#)

[Sen. Amy Sinclair in Monroe](#)

[Rep. Marti Anderson, Rep. Jo Oldson, Rep. Ako Abdul-Samad and Sen. Janet Petersen in Des Moines](#)

[Sen. Amy Sinclair in Knoxville](#)

April 15

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

April 16

[U.S. Sen. Charles Grassley in Atlantic](#)

April 17

[U.S. Sen. Charles Grassley in Carroll](#)

League Updates

[2019 Nuisance Abatement Conference](#) registration has opened! Join the League in Coralville on May 15 for a day-long discussion on how to clean up your city and improve the community.

[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.



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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.

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