

Governing Principles...

- We support protection of Iowa's Right to Work Laws.
- Economic development should be a top priority in the state and should include leveraging the benefits of private/public partnerships.
- Continued investment in transportation infrastructure is critical to Iowa's economic development success.
- We support a regulatory and simplified tax climate conducive to making Iowa a more competitive location for attracting business expansion opportunities and fostering business growth.
- We support streamlined governments at all levels that are efficient, cost effective and responsive to business needs.
- We are opposed to growth in state spending which exceeds the rate of inflation or a growth index.
- State environmental policies and regulations should be no more stringent than their federal counterparts.



Legislative Priorities

BUDGET

State Finances

Iowa will shift \$53 million of general fund expenses to one-time sources in 2012. We oppose the use of one-time or limited-time revenue to fund ongoing general fund expenditures. We believe the state needs to judiciously scrutinize all expenditures and utilize Lean principles to ensure every expenditure is allocated in the most efficient and cost effective manner. State expenditures must also be reviewed and strategically evaluated based on best practices, the impact, and return on investment. We encourage the use of various trust funds for their stated purposes only and oppose borrowing from such funds for unintended expenditures.

BUSINESS CLIMATE

Chapter 20 Reform

"Ability to pay" shall be a required factor when labor contract negotiations occur, and not only when a negotiation has reached the point of impasse. Criteria in Chapter 20 of the Iowa Code should be restated to include limiting increases to current available resources and comparison to private sector compensation.

Chapter 411 Reform

We support needed systemic changes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI), aimed at creating a fair, balanced system and controlling costs to cities. The high projected actuarial rates for cities translate to tens of millions in additional city costs to fund existing benefits. These skyrocketing rates highlight built-in unsustainable inequities in the system's structure, which must be addressed.

Education Property Tax Inequity

Property tax receipts statewide do not result in level funding for each and every student. Property tax receipts statewide must be equalized on a per-pupil basis similar to the way school infrastructure sales tax receipts have been re-distributed statewide on a per-pupil basis. Currently, there is a huge disparity among school districts in regard to taxable valuation per pupil.

FY 2012 taxable valuation per student ranges from \$145,572 to \$1,108,654 depending on the district. Students in property poor districts run the risk of being served at a lower level because their districts cannot raise local taxes high enough to provide the same level of support as property rich districts. More than 62% of the students in the state are in property poor districts.

Federal Deductibility

We support retaining the deduction of federal taxes from state personal income tax returns.

Property Tax Reform

Without a commitment to real change and radical reform, property tax problems in the state cannot be solved. We need to revisit what property taxes pay for and how they are levied. We support measures that narrow the gap between the property tax classifications. We advocate comprehensive reform of Iowa's property tax laws.

Unemployment Insurance Tax

Iowa's 2012 taxable wage base for unemployment insurance, upon which the insurance tax is calculated, is \$25,300 while the average taxable wage base of the surrounding Midwest states is \$14,571. This disparity in the taxable wage base puts Iowa businesses at a competitive disadvantage. The Iowa Legislature should look into lowering the taxable wage base, while maintaining the solvency of the unemployment insurance trust fund. Requiring a one-week waiting period before unemployment benefits can be paid out would also put Iowa businesses on a more level playing field and contribute to maintaining the solvency of the trust fund.



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ECONOMIC DEVELOPMENT

Historic Tax Credits

Historic tax credits should be maintained as they provide good “green” policy for the state and encourage the reuse of historic properties. Studies have shown that historic preservation provides a return on investment of 1.5. Iowa’s current lottery system does not do justice to the many qualified historic projects in the queue. While strides have been made in recent years to raise the cap to \$20 million, as budgets improve, we support lifting the cap entirely to allow qualified projects to proceed. We also support making state tax credits compatible with Federal tax credits.

Research Activities Credit

The research activities credit has proven to be a very effective economic development tool in generating and retaining high paying technical positions in innovative companies throughout the state. The state’s investments have resulted in private sector investments totaling nearly \$1 billion. We support maintaining the research activities credit.

Targeted Jobs Withholding Tax Credits

During the 2006 legislative session, the Iowa Legislature passed legislation that allowed Sioux City and other border communities to receive assistance in funding economic development projects in urban renewal areas by means of a targeted jobs credit. This has been an invaluable economic development tool and should be preserved.

Tax Increment Financing (TIF)

TIF must be retained as an economic development tool.

EDUCATION

Air and Army National Guard

We support funding tuition assistance programs for the Air and Army National Guard.

Education Reform

We encourage common sense education reform that is in the best interest of students and Iowa businesses. We advocate reform that will ensure we have a globally-prepared workforce to meet the challenges of the 21st century and meet the needs of our growing businesses. Education is also a quality-of-life issue, and world-class schools in Iowa are a business recruitment and retention tool.

Iowa Tuition Grant

We support funding of the Iowa Tuition Grant.

Workforce Development

Iowa’s workforce and its development system needs to adjust as the economy dictates to ready a globally-prepared workforce to compete with the challenges of the 21st Century in advanced manufacturing, life sciences, agriculture, professional services, energy, and other high-paying quality job-creating sectors. We support the critical role of Iowa’s Community Colleges in workforce development, and we encourage the legislature to provide adequate funding.

ENERGY

Energy Policy

Since 1973, U.S. energy production has grown only 13%, while U.S.

energy consumption has increased 30%. Even when increases in efficiencies are taken into account, significant increases in demand are projected. We support actions to ensure the development and deployment of affordable, reliable energy supplies that promote national security and economic development.

HEALTHCARE

Healthcare Initiatives

The rising costs of healthcare are negatively affecting business growth. We urge the Iowa Legislature to:

- Support increased funding for the Iowa Statewide Poison Control Center (ISPCC) to \$800,000 and actively seek sustainable funding strategies. The ISPCC has been cited as a model for cost-effective healthcare delivery.
- Provide true health insurance purchasing pools for small businesses to band together to lower premium costs across state lines and across industries.
- Create a revenue generation vehicle for locally-funded Emergency Medical Services (EMS) throughout the state.
- Support the commitment to assure equitable access to behavioral healthcare service to all Iowans via regionalization of the delivery system. We commend the state for taking action in 2011 which resulted in the Interim Report on Iowa Mental Health and Disability Services System redesign.
- Continue to support Child Protection Centers.
- Support Iowa’s Healthiest State Initiative. We support state incentives for businesses to implement wellness and prevention programs for their employees. The incentives should promote the adoption of preventative and maintenance healthcare and wellness services. We urge careful evaluation of the small business wellness tax credit recommendations of the Iowa Department of Public Health.

TRANSPORTATION

Northwest Iowa Highway Improvements

Completion of U.S. Highway 20 is critical to Siouxland’s economic development. The completion of a four-lane U.S. Highway 20 would act as an alternate east/west route across the state of Iowa, alleviating the overcrowding and unsafe conditions on Interstate 80. The recent economic renewal of the Siouxland area can only be continued by completing four lanes of U.S. Highway 20 and reconstructing Interstate 29 through downtown Sioux City.

Rail Infrastructure

We support increasing the investment in the Iowa Department of Transportation Rail Revolving Loan and Grant Fund to help develop rail infrastructure. The freight rail system provides critical infrastructure for transporting commodities and commercial goods.

Transportation Funding

Iowa has great needs for updating and repairing its transportation infrastructure. Quality roads are central to economic growth. We support new or alternative sources of surface transportation revenue provided the existing cap on the TIME-21 formula is removed so that any new revenues will be distributed under the TIME-21 formula. We fully support application of the TIME-21 formula to the entire road use tax fund.

Contact Your Local Legislators

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