

March 26, 2021

#### You need to know

- Your outreach is needed on these bills:
  - Tax increment finance: <u>HF 849</u>
  - Backfill phase-out: SF 587
  - Propane/natural gas preemption: <u>HF 555</u>.
    See below for specific talking points and who to contact regarding your concerns.
- The federal government has passed The American Rescue Plan, which among other items, provides a direct appropriation to all cities in Iowa. Learn more about it on the <u>League's website</u>.
- April 2 is the second legislative funnel. See this and other important dates on the <u>Legislative Timetable</u>.

#### **HF 849** | Tax Increment Finance (TIF) Limitations

- Removes the distinction for Slum & Blight TIF by capping all TIF districts at 20 years in duration and ending any existing perpetual TIFs in 20 years. This bill may also impact existing agreements.
- The flexibility of TIF is what makes it such an important economic development tool statewide. It is also often the most misunderstood economic development tool.
- Slum & Blight projects are currently given longer than 20 years because projects in those areas often take longer than economic development projects to show results.
- Eligible to be debated on the House floor, reach out to your House Representative to share how this impacts your city.
- The League is registered in opposition.

#### SF 587 | Backfill Phase-Out, Elderly Property Tax Credit, Mental Health Funding

- Phases out the commercial and industrial property tax backfill for every city over either 4 or 6 years, depending on that city's valuation growth. Cities whose total taxable value (not counting gas and electric utilities) in FY21 was more than 31.14% higher than its FY14 value will receive the 4-year phase-out, while cities that have seen less growth receive the 6-year phase-out. You can download the spreadsheet to see if your city gets the 4-or 6-year plan. Note that there are two tabs in the downloadable spreadsheet.
- Creates a new elderly tax credit/property tax freeze for individuals
  who reach 70 years of age and earn less than 250% of the federal
  poverty level. The way the bill is currently drafted, cities property tax
  revenues would be reduced by the amount of additional tax credit
  that would be required, above the amount that the state would
  otherwise fund for the traditional elderly tax credit. New applicants of
  the new elderly tax credit would be fully paid through city property tax
  reductions.
- This bill has many parts, several of which affect cities directly, a few
  which impact cities indirectly. You are encouraged to read the bill and
  reach out to League staff with questions to better understand the
  legislation and its impacts.
- This bill has passed out of the Ways & Means Committee and will be eligible to be debated by the full Senate as early as Monday. Reach out to your Senator and share how this bill would impact your community.

#### HF 555 | Natural Gas & Propane Regulation Preemption

- Creates a broad preemption that would restrict any number of practices perceived to "restrict, impede or regulate" the provision of natural gas or propane.
- Many municipal attorneys have expressed concerns that the vague and broad language of this bill would have impacts much larger than is intended. The amendment which was adopted in the House does not fix these concerns.
- Your outreach is needed. Contact your Senator as this will be eligible for debate by the full Senate as soon as next week.
- The League is registered in opposition

#### SF 476 | Increase in Public Safety Benefits

- An amendment to SF 476 is expected, it has not been released. The following bullet points are based on what the amendment is expected to contain.
- Requires cities to pay out accrued sick leave converted into today's dollar value to public safety officers upon retirement.
- If a city or police department attempts to not enforce state law through an official or unofficial policy, the city will be defunded from any state money.
- Alters several other benefits, protections and liabilities for public safety officers.
- Passed out of the Public Safety Committee and will be eligible for consideration by the full House.
- consideration by the full House.The League is registered undecided.

# HF 626 | Property Tax Exemptions for Redlined Districts

- Allows cities to provide property tax abatements under certain circumstances in districts that were "redlined" by the federal government.
- Passed out of subcommittee in the Senate and will be eligible for consideration by the full Senate.
- consideration by the full Senate.The League is registered in support.

# HF 802 | Implicit Bias Training Limitations

- Would prevent "divisive concepts" from being utilized in training which are defined in the bill.
- Passed out of subcommittee and will be eligible for consideration by the Senate Education Committee.
- The League is registered undecided.

# HF 313 | Minor Operated Business Preemption

- Preempts a city from regulating or requiring a fee or license for businesses operated by a minor on a temporary basis.
- Passed out of subcommittee and is eligible for consideration in the Senate State Government Committee.
- The League is registered undecided.

# Legislation to the Governor

HF 495 | Street finance report date change HF 761 | Firefighter Grant Alterations

Communication with your legislators is crucial to impacting policy in the State House. Take advantage of the local legislative forums listed below. Additionally, you can contact your legislative directly.

Contact Your Legislator

# Legislative Forums

# March 26

- <u>Lake Mills Legislative Forum</u>
   Ames Legislative Forum-virtu
- Ames Legislative Forum-virtual Council Bluffs Legislative Coffee-virtual
- <u>Lunch with Rep. Lindsay James-virtual</u>
   <u>Fort Dodge Eggs & Issues Legislative Forum-virtual</u>
   Buffalo Center Legislative Forum
- Buffalo Center Legislative ForumCedar Rapids Public Policy Discussion-virtual
- <u>Cedar Valley Legislative Forum-virtual</u>

# March 27

- Rock Rapids Eggs & Issues Legislative ForumShenandoah Legislative Forum
- Mahaska Eggs & Issues Forum-virtual
  Audubon Legislative Forum
- Audubon Legislative Forumlowa City Legislative Forum-virtual
- Clinton County Legislative Coffee-virtual
- Sioux City Legislative Town Hall
   Clarinda Legislative Briefing
- <u>Clarinda Legislative Briefing</u> <u>Walcott Legislative Coffee</u>
- <u>Vvalcott Legislative Coffee</u>
   <u>Urbandale Legislative Forum</u>
- Mount Ayr Legislative Forum

# March 29

Marti's Weekly Monday Morning Coffee-virtual

