

IOWA STATE ASSOCIATION OF COUNTY SUPERVISORS

LEGISLATIVE RECOMMENDATIONS

for the

2008 LEGISLATIVE SESSION

Approved at the 2007 ISAC Fall School
ISACS Business Meeting

LEGISLATIVE COMMITTEE MEMBERS

TERM ENDING

| | |
|--|---------------|
| Rick Hecht, Sac County | Dec. 31, 2008 |
| Melvyn Houser, Pottawattamie County | Dec. 31, 2008 |
| Jerry Tlach, Hancock County | Dec. 31, 2008 |
| Jim Houser, Linn County | Dec. 31, 2009 |
| Mike King, Union County | Dec. 31, 2009 |
| Mary Jo Wilhelm, Howard County | Dec. 31, 2009 |
| Caye Chelesvig, (Chair), Wright County | Dec. 31, 2010 |
| Ernie Greiner, Keokuk County | Dec. 31, 2010 |
| Mark Segebart, Crawford County | Dec. 31, 2010 |

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2008 Legislative Objectives

1. Property Tax Reform

BE IT RESOLVED that ISACS supports property tax reform that stabilizes the tax base, resolves unfair discrepancies within the current tax base, improves accountability in the budgeting processes of cities and counties, and imposes a reasonable limitation on city and county property taxes while maintaining local control for citizens and their elected representatives.

Supporting Statements-

Comprehensive property tax reform should be a primary goal of the Legislature in 2008. Narrow, piecemeal changes to the property tax system are just that – changes, not true reform.

The rollback is the bane of Iowa's property tax system. Its annual fluctuations create taxpayer confusion and hinder local governments' ability to establish stable, long-term budget priorities. Further, the rollback causes businesses to bear a disproportionately high share of the property tax burden, obstructing state and local economic development efforts.

2008 Policy Statements

Taxation and Finance

1. **TAX INCREMENT FINANCING** - ISACS supports the intent of the 1994 legislation to control indiscriminate Tax Increment Financing (TIF) projects. **County approval should be required** before any TIF project is approved; further, a fiscal impact statement must be prepared by the entity requesting the TIF prior to final approval. **All TIF districts should be limited to a certain number of years**; this should apply even to TIFs designated for eliminating urban slum or blight and TIFs designated for economic development and created prior to January 1, 1995. **The rollback should be applied proportionately** to both the base and the incremental valuation in a TIF district. Anytime there is a renewal of a TIF district and/or project, the base year should be reestablished or advanced to the current valuation level at the time of renewal. **Tax abatement should be prohibited** in TIF districts.
2. **USE OF RURAL SERVICES FUND** - ISACS supports the **flexibility for counties** to fund programs and services that are primarily for the benefit of residents of the unincorporated areas from the rural services fund. Such services may include uniformed patrol.
3. **HOTEL-MOTEL TAX** - Currently counties can only impose a hotel-motel tax in the unincorporated area of the county. ISACS supports amending Iowa Code §423A.1 to provide that counties can impose a **county-wide hotel-motel** tax that would apply both in the unincorporated areas of the county and within the incorporated areas of the county **if approved by a majority of the voters** in a county-wide election. Such funds shall be used **solely for promotion of the tourism industry** or development of area attractions.
4. **FRANCHISE TAX REVENUE ALLOCATION** - ISACS supports the continued allocation of no less than \$7 million from franchise tax revenues to the **Community Attraction and Tourism (CAT) fund**. The CAT fund provides assistance to cities and counties in the development and creation of multiple-purpose attraction or tourism facilities. If franchise tax revenues are no longer to be allocated directly to cities and counties, the CAT fund is an appropriate place for their distribution.
5. **EMERGENCY COMMUNICATIONS EQUIPMENT** - ISACS supports classifying law enforcement and emergency communications equipment as an **essential county purpose**. This would give counties greater flexibility in financing the purchase of life-saving equipment.
6. **ENTERPRISE ZONES** - ISACS supports the continuation and expansion of enterprise zones as a vital economic development tool for local governments.

General Government

7. **HOME RULE** - ISACS reaffirms its commitment to the County Home Rule Amendment, and to the concept of **local control**. County supervisors hereby support the promotion of legislation preserving the integrity, philosophy, autonomy and priorities of all 99 counties by all ISAC staff members, affiliates, and committees, and by the Iowa General Assembly and Governor.
8. **UNFUNDED MANDATES** - ISACS renews the priority to **prohibit any additional state mandates without the corresponding funding**. Local governing bodies should be permitted by law to recertify adopted budgets after March 15th if any unfunded mandate enacted by the General Assembly after that date either directly or indirectly increases local government expenditures or decreases funding in the next fiscal year. These same principles apply to cost-shifting maneuvers to fund existing programs by the General Assembly or state administrative agencies.

Health and Human Services

9. **JUVENILE DETENTION** - The current funding partnership between the state and the counties for juvenile detention services is eroding. ISACS supports a 50-50 funding partnership with the state for detention services. County supervisors support a transition plan that would reach one half of the cost of detention to be paid by the state. A first step would be to change the up-front allocation to detention centers from the Juvenile Detention Home Fund from 10% to 30% of their costs for FY 2009.
10. **DETOXIFICATION SERVICES** - Detoxification services should be **included in the definition of substance abuse services** funded by the state. (There is currently no mandate for counties to pay for detoxification services.) The state should also honor the code section mandate requiring the Department of Inspection and Appeals to pay attorney fees for substance abuse and committals.
11. **EMPOWERMENT** - Based on Home Rule, ISACS supports the concept of Empowerment Areas and Empowerment Boards. Any formula-based funding plan should be **fair and equitable** for all counties and be adequate to meet the needs of Iowa's zero-to-five population.
12. **PUBLIC HEALTH NURSING AND HOME CARE AIDE** - The Iowa General Assembly passed a Home Health Aide program in 1980 to provide services to persons who are elderly or disabled. Funding for the Public Health Nursing and Home Care Aide and Chore grant allocations decreased in the 1990s. Many agencies were forced to either reduce services or be supplemented by property tax dollars to compensate for the state shortfalls. The waiting list of "fragile elderly" and those over eighty-five who can qualify for the program is growing. Public Health Nursing and Home Care Aide services are less costly alternatives to nursing homes and other expensive services. Funding for both the Public Health Nursing and Home Care Aide programs should be a **50% level partnership** between the state and counties.

13. **PUBLIC HEALTH REDESIGN** - ISACS seeks a working partnership with the Iowa Department of Public Health (IDPH) to update and professionalize local public health agencies in Iowa. But **ISACS does not support the proposed Iowa Local Public Health Standards in their current form.** First of all, IDPH has no idea how much the standards will cost, or how much counties will be required to pay. Second, the standards have been created with virtually no input from elected officials, who are acutely aware that proposals like this come with a large price tag and have to be paid for with property taxes. Third, the standards assume that there is only one right way to deliver public health services. They are very proscriptive, with 34 pages of specific mandates. Fourth, the educational standards are unrealistic. Hiring people with those qualifications **will cost considerably more money**, assuming that they can even be located. Last, IDPH should work with the counties on securing more funding for local public health. Once that money is available, the goal should be to fund local programs that satisfy IDPH goals and at the same time meet locally-established needs.

Corrections and Law Enforcement

14. **JAILS** - On May 25, 2004, the federal government advised states to suspend rather than terminate Medicaid benefits when a Medicaid recipient is in jail or admitted to an institution for mental diseases (IMD). The states were further advised to reinstate coverage immediately upon release from the facility, rather than making the person reapply for benefits. In order to **ensure continuity of coverage and treatment**, some states continue Medicaid coverage (without federal financial participation) when adults and children are in jail or detention during the pre-trial phase. ISACS supports both a change in state policy to comply with the federal directive not to terminate Medicaid upon admission to jail or an IMD, and the state-funded continuation of Medicaid eligibility for individuals being held in jail or juvenile detention. ISACS also supports the right of individual counties to choose whether they will contract to house out-of-county, state or federal prisoners. **Counties should not be forced** to house state or federal prisoners against their will.
15. **STATE FUNDING FOR 812 COMMITMENTS** - Defendants requiring an evaluation to determine competency to stand trial, or restoration of competence, generally receive services at a state institution. Those institutions, in turn, look to counties to cover these costs, even though they are a legitimate cost of the defense. County supervisors support legislation clarifying that the cost of evaluation and restoration of competence to stand trial pursuant to Iowa Code chapter 812 is a **state funding responsibility**.
16. **CLERK OF COURT** - The office of clerk of court **should remain in every courthouse**. Any closure passes a direct expense to county governments and the citizens served by the Iowa court system. In addition, the courts should find placements for persons committed under Iowa Code chapters 125 and 229 rather than shifting this function and its cost to counties. Counties will continue to work with the courts to make this process function smoothly for those individuals who are funded by a county, but not all persons committed under these two chapters are the funding responsibility of counties.

Transportation

17. **ROAD USE TAX FUND** - Current studies show that all road entities (Iowa DOT, cities and counties) have lost substantial buying power and are facing an increasing shortfall of resources to maintain their existing road and street systems. ISACS supports the current distribution formula of Road Use Tax Fund (RUTF) dollars to the DOT, cities and counties. **Neither the DOT, cities, nor counties should be allocated less than their current share of current revenue sources** making up the RUTF. ISACS opposes any diversion of current dedicated RUTF income to other uses and away from any or all of the entities. History has shown that the distribution of vehicle miles of travel on the various systems has remained nearly constant over the past 18 years, while at the same time, cities and counties have been forced to assume an increasing amount of the total miles of roadways within the state. This is a fact that should not be overlooked when deciding the distribution of any new dollars that become available to the RUTF. New dollars should be distributed according to an assessment of road system needs.

18. **FUNDING OF TIME 21** - The policy for the TIME 21 study was set by legislation under HF 932 during the 2007 session. This was signed by the governor and became effective July 1, 2007. ISACS supports this policy and requests it be funded by a combination of revenues. The **cost of building and maintaining roads** has continued to increase, although the user fee per gallon has not increased since 1989. During this time of rising costs, fuel mileage has improved and the tax per mile traveled has decreased. The Road Use Tax Fund (RUTF) is a primary revenue source of the Iowa DOT, counties and cities for the construction and maintenance of bridges, roads and streets. The maintenance and improvement of our road and bridge systems are an important part of continuing to grow the economy of the state. ISACS recommends these **additional revenues be created** by an increase in the fuel tax; adjustments in pickup registration fees, as well as those of other registered vehicles; the exploration of a 1% increase in vehicle use tax; and any other road-related revenue sources.

19. **FARM IMPLEMENTS** - ISACS supports legislation **limiting the gross axle weights** of implements of husbandry on the roadways, bridges and culverts of Iowa.

20. **PICKUP REGISTRATION FEES** - ISACS supports **increasing pickup registration fees** and retaining the new revenues derived from the fees in the RUTF.

Environment and Land Use

21. **LAND USE** - ISACS supports legislation to pursue good land use policy that would encourage **mutually enforceable** land use plans through **voluntary intergovernmental agreements** between counties and cities.

22. **INDEMNITY FUND** - The appropriation to the fund established to indemnify local governments to pay for the cleanup of abandoned confined animal feeding operations has always been inadequate. A means should be found to **increase the**

appropriation to this fund. Further, the indemnity fund **should be left intact** and not be subject to use for any other purpose. This issue has recently become more important because many buildings are reaching an age at which their obsolescence makes them more likely to be abandoned.

23. **EMINENT DOMAIN** - ISACS supports county board of supervisor approval or denial of any condemnation by a city in unincorporated areas, and **opposes any further weakening** of counties' ability to use eminent domain.
24. **ALTERNATIVE ENERGY RESOURCES** - ISACS supports investments in **energy efficiency and renewable energy** in Iowa, including alternative energy sources such as wind, biodiesel, biomass and ethanol. Such investments are in Iowa's best long term interest, providing cleaner air, more jobs, added farm income, an increased tax base and conservation of finite energy resources for future generations.
25. **PUBLIC ACCESS TO PRIVATE LAND** - ISACS supports research of programs that would allow farmers to register for a \$7 per acre lease agreement with the Department of Natural Resources to allow public use of defined property.
26. **LANDFILL REGULATIONS** - ISACS supports reasonable landfill regulations that meet, but do not exceed, the requirements imposed by the federal Environmental Protection Agency (EPA). Further, ISACS encourages the Iowa Department of Natural Resources to use the flexibility granted to it by the EPA to approve alternative landfill liner designs, as long as the alternative designs are effective at preventing groundwater and other environmental contamination.

County Administration and Organization

27. **COUNTY COMPENSATION BOARDS** - ISACS supports compensation boards as they are currently designed to recommend salaries for county elected officials.
28. **PUBLICATION NOTICES** - ISACS urges the Legislature to **end the newspaper monopoly** and give counties the option of disseminating necessary information through newspapers, e-mail, mail inserts, broadcast fax, or other methods, so long as the means chosen assure that the information is getting to the public.
29. **IOWA COMMUNICATIONS NETWORK ACCESS** - While the ICN fiber optics network is in place in all 99 counties, Iowa law prohibits county governments from using the system. Iowa Code §8D.11(4) prohibits counties from receiving communications services from the state. Use of the network could **reduce county government costs** to property taxpayers because meetings and educational programs could be scheduled for ICN transmission between counties and other groups. For example, the system is currently used to hold long distance court hearings, thus reducing the need for transporting prisoners around the state. Access to the ICN system should be an option for each county and associated costs should be a county expense. ISACS recommends eliminating Iowa Code §8D.11(4) to accomplish these goals.

30. **LOCAL SERVICE SHARING** - ISACS supports eliminating all legislative roadblocks to inter-local service sharing agreements, and **encourages local governments to realize efficiencies** by taking advantage of such agreements whenever practicable.

2008 Resolutions

RESOLUTION 2008 - 1

MH/MR/DD/BI System Improvement

BE IT RESOLVED that ISACS continues to support a county-managed MH/DD system, based on the concepts of consumer-driven services, eliminating disparities in services and improving outcomes for consumers by providing services in the community ; and

BE IT FURTHER RESOLVED that since all stakeholders are represented on the MH/MR/DD/BI Commission, ISACS believes that the MH/MR/DD/BI Commission should be the single point of accountability driving future system improvement. To accomplish this, the Commission must have authority over budget, administrative rules, and staff for the MH/MR/DD/BI system.

Supporting Statements –

ISACS acknowledges that strides were made last session in **restoring the allowed growth funding cuts** from prior years by the allocation of an additional \$12 million in funding to counties in particularly dire straits.

It remains ISACS's position that any system redesign must be adequately funded, and should not occur until the current system of services is adequately funded.

RESOLUTION 2008 - 2

Local Government Reform

BE IT RESOLVED that ISACS opposes any state mandated reorganization of local government. Any efforts to reform a local government structure should be citizen-driven.

BE IT FURTHER RESOLVED that any state plan for reorganization must include positive incentives for local consideration and not impose penalties on local governments for citizen rejection of reorganization plans.

Supporting statements –

“One size fits all” approaches fail to recognize specific situations that are unique to the needs and desires of each local community.

Iowa citizens from every county contribute revenues to the state via sales, income and gas taxes, for example. All citizens deserve to receive the benefit of state services, regardless of whether or not they choose to restructure their local governments.

RESOLUTION 2008 - 3

Tourism

BE IT RESOLVED that ISACS supports increased funding for the tourism industry in Iowa.

BE IT FURTHER RESOLVED that the State of Iowa should find increased tourism funding from sources other than the state general fund as other states have.

Supporting statements –

Tourism is already estimated to be a \$5 billion industry in Iowa, proving its value to the state economy.

The tourism budget has been reduced from a high of \$6.2 million in 2000 to \$3.8 million in 2007, making the level of funding for tourism in Iowa one of the lowest among Midwestern states.

Tourism is a “place-based” industry. It will not move out of the state or overseas, meaning that all money invested in tourism stays in the economy.

RESOLUTION 2008 - 4

Mental Health Advocates

BE IT RESOLVED that since the Chief Judge of each district court has responsibility to appoint, provide tort liability, establish compensation for, and receive periodic reports from the Mental Health Advocates, but the county has responsibility to pay the court-appointed advocates; and

BE IT FURTHER RESOLVED that in a recent special audit report (Audit No 0610-0025-TE01), the State Auditor's office concluded that this arrangement is problematic in that there are no detailed job descriptions, no performance evaluations, no policies and procedures manuals, and no periodic review of documentation; and

BE IT FURTHER RESOLVED that ISACS supports amending the Code of Iowa to vest all responsibilities, including payment, for the judicial mental health advocates with the state.

RESOLUTION 2008 - 5

Prevailing Wages

BE IT RESOLVED that ISACS opposes the concept of prevailing wages for local governments.

BE IT FURTHER RESOLVED that the State of Iowa should not mandate that prevailing wages be paid for projects of \$ 25,000 or more for local governments.

Supporting statements-

Prevailing wage legislation could **increase the cost of construction** 10 to 15 percent.

Prevailing wage legislation could **reduce the number of interested contractors** for local governmental projects

Prevailing wage legislation would have a negative effect on **local housing rehabilitation** projects provided by cities and counties.

Prevailing wage legislation for local governments would probably not increase the labor force, but merely increase to wage level of the existing labor force.

The establishment of a prevailing wage for all 99 counties would **create inequities** within the State of Iowa.

The creation of prevailing wages at such a low level in reality creates a form of **price fixing**.