

# 2016 Legislative Priorities

86th General Assembly, 2nd Session



Iowa State Association of Counties

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86th General Assembly, 2nd Session



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The Iowa State Association of Counties (ISAC) is a private, nonprofit corporation that was incorporated on October 8, 1964. Senate File 37, which was adopted on June 30, 1971, allowed counties to pay member dues to the organization. ISAC members are elected and appointed county officials from all 99 counties. Counties pay voluntary dues to belong to ISAC in return for a number of services, such as education and training, benefit programs, technical assistance and government relations. ISAC members participate in one of 15 different statewide affiliated associations corresponding to each county office.

ISAC's mission is to promote effective and responsible county government for the people of Iowa. To that end, ISAC's stated purpose is to secure and maintain cooperation among the counties and county officials, promote comprehensive study of local problems and find ways of solving them, provide methods of interchange of ideas among various county officials, and promote and work for the enactment of legislation that is most beneficial to the citizens of Iowa. These endeavors support our vision of being the principal, authoritative source of representation, information and services for and about county government in Iowa.

# 2016 Legislative Policy Committee

The 2016 ISAC Legislative Priorities were developed by the ISAC Legislative Policy Committee (LPC). This committee is composed of two representatives from each affiliate and is chaired by Peggy Rice, Humboldt County Auditor and ISAC 2nd Vice-President. The committee has worked together to create a short and cohesive set of legislative objectives for ISAC to pursue in 2016.



At the end of August the committee convened to hear legislative policy proposals from each affiliate. The committee worked hard for two days discussing implications of any changes. Between the August and September meetings at which the legislative objectives were adopted by the committee, staff and committee members performed research on any questions that needed to be answered or clarifications that needed to be made.



The 2016 Legislative Objectives, Policy Statements and ISAC Top Priorities recommendations were presented to the ISAC Board of Directors, which voted on October 16 to recommend them to the full membership. The full membership approved the legislative package during the General Session at the ISAC Fall School of Instruction on November 19, 2015.

## 2016 ISAC LPC Committee Members

**Committee Chair:** Peggy Rice, Humboldt County Auditor and ISAC 2nd Vice-President

### Assessors

Dale McCrea, Muscatine County  
Deb McWhirter, Butler County

### Auditors

Ken Kline, Cerro Gordo County  
Dennis Parrott, Jasper County

### Community Services

Lori Elam, Scott County  
Shane Walter, Sioux County

### Conservation

Dan Cohen, Buchanan County  
Matt Cosgrove, Webster County

### County Attorneys

Darin Raymond, Plymouth County  
Matt Wilbur, Pottawattamie County

### Emergency Management

Thomas Craighton, Franklin County  
Mike Goldberg, Linn County

### Engineers

Lyle Brehm, Tama/Poweshiek County  
Dan Eckert, Dickinson County

### Environmental Health

Eric Bradley, Scott County  
Brian Hanft, Cerro Gordo County

### Information Technology

Micah Cutler, Franklin/Hardin County  
Jeff Rodda, Polk County

### Public Health

Doug Beardsley, Johnson County  
Lynelle Diers, Wapello County

### Recorders

Megan Clyman, Davis County  
Kris Colby, Winnebago County

### Sheriffs and Deputies

Lonny Pulkrabek, Johnson County  
Jared Schneider, Washington County

### Supervisors

Carl Mattes, Humboldt County  
Burlin Matthews, Clay County

### Treasurers

Kelley Busch, Union County  
Tracey Marshall, Cass County

### Veterans Affairs

Gary Boseneiler, Johnson County  
Jerry Hansen, Montgomery County

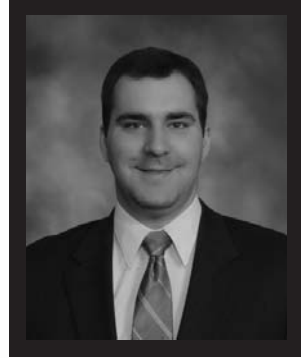
### Zoning

Joe Buffington, Henry County  
Josh Busard, Johnson County

## ISAC Policy Team



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## 2016 County Day at the Capitol



ISAC members will spend Wednesday, March 9, 2016 at the Statehouse.

This event will begin at the Wallace Building auditorium. There will be special presenters on the hot issues of the time. From there, the group will travel to the Capitol. The time at the Statehouse will give county officials the opportunity to participate in the lobbying process by meeting with their legislators.

We have secured space in the Capitol Rotunda for affiliate displays. This will give each individual affiliate the opportunity to introduce legislators and the public to its important roles in the effective administration of county government.

Lunch will be provided for legislators and attending county officials in the Capitol Rotunda West Wing. This will again give county officials the opportunity to interact with legislators.

County Day at the Capitol improves county government!

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# ISAC Top Priorities

- Delinquent Court Debt
- Food Safety
- Mental Health and Disability Services
- Distracted Driving
- E911 Funding

## Delinquent Court Debt

**PROBLEM:** In the closing hours of the 2015 session the Iowa Legislature amended the statutes dealing with the collection of delinquent court debt. Those changes will dramatically decrease collections by the county attorney in future years resulting in the loss of millions of dollars to the county General Fund.

**SOLUTION:** Amend the statutes dealing with delinquent court debt to allow county attorneys to collect delinquent court debt beginning on day 31 and allow for the collection of any delinquent court debt that had been previously assigned to a private collection designee.

## Distracted Driving

**PROBLEM:** Distracted driving, inexperienced and impaired driving, as well as other factors result in hundreds of deaths on Iowa's roadways each year. While there is no simple solution to reduce the number of highway fatalities, there needs to be an enhanced effort on the awareness of the dangers of distracted and impaired driving.

**SOLUTION:** ISAC supports defining distracted driving in relation to the use of a hand-held electronic device as a primary offense.

## E911 Funding

**PROBLEM:** Local Public Safety Answering Points (PSAPs) are struggling to fund dispatch operations and provide emergency 911 services on the amount of funding they receive from the E911 surcharge revenue. As a result, local taxpayers are subsidizing the cost of delivering emergency 911 services today.

**SOLUTION:** ISAC supports a new E911 surcharge funding proposal for PSAPs that increases the amount going to emergency 911 service delivery.



# ISAC Top Priorities

- Delinquent Court Debt
- Food Safety
- Mental Health and Disability Services
- Distracted Driving
- E911 Funding

## Food Safety

**PROBLEM:** In the past 37 years, the Legislature has only increased food licensing fees twice. Both times, the increase was not enough to cover the cost of operating the program. Because of the low fees, many counties have returned the food program to the Department of Inspection and Appeals (DIA) which has forced DIA to take back other contracts to obtain additional license fees to afford inspecting the returned jurisdictions. In 2009 DIA inspected 23 counties and now DIA inspects 52 counties. Because of the low fees, DIA has lowered its inspection frequency two times in the past three years. Inadequate and irregular license fee increases are starving Iowa's food safety system and have the potential to put the health and lives of the consuming public at risk.

**SOLUTION:** Increase food licensing fees to fully fund food safety program activities in compliance with Iowa Code. DIA should be authorized to administer the food licensing fees through the Iowa Administrative Code. There should be an automatic fee adjustment mechanism established to annually increase fees by the percentage increase in the consumer price index.

## Mental Health and Disability Services

**PROBLEM:** Counties are continuing to face long term funding challenges in the regional mental health and disability services (MH/DS) system. As current mental health funding from property tax collection is a frozen dollar amount in each county and with the state no longer providing equalization funding, a financial inequity is emerging in regions that have counties that cannot raise their levies accordingly to meet the service demands of their region. Further, as regions are committed to the full components of MH/DS redesign and want to provide additional core services, they are reluctant to do so without sustainable funding.

**SOLUTION:** ISAC recommends that the Legislature update the MH/DS levy cap by establishing a new statewide per capita target that allows county boards of supervisors to adjust the individual county levies based on the region's budget needs.



# Legislative Objectives

## **Agricultural Building Value**

**PROBLEM:** The value generated by agricultural buildings is automatically subtracted from the value generated for agricultural land by the productivity formula. The result is that the construction of any new agricultural building adds zero net value to Iowa's property tax base. This situation serves as a disincentive to agricultural economic development for county governments because large-scale livestock operations impose significant additional costs on counties, such as road maintenance, without expanding the tax base to help pay for those costs.

**SOLUTION:** Agricultural buildings should be valued at their replacement cost new less depreciation, and then the appropriate agricultural factor should be applied per Department of Revenue rule. The value of agricultural buildings would not change from its current level, but the value would be in addition to the value generated by the productivity formula for agricultural land. This could be accomplished by adding the following new language at the end of Iowa Code §441.21(6): "Beginning with valuations established as of January 1, 2015, a structure located on agricultural land, excluding agricultural dwellings, shall be valued at its replacement cost new less depreciation, and then adjusted by the appropriate agricultural factor. Such structures shall be valued as agricultural structures and the valuation determined under this subsection shall be in addition to the valuation determined for agricultural land, excluding agricultural dwellings, shall be valued at its replacement cost new less depreciation, and then adjusted by the appropriate agricultural factor. Such structures shall be valued as agricultural structures and the valuation determined under this subsection shall be in addition to the valuation determined for agricultural land under subsection 1."

## **Agricultural Exemption from Zoning and Building Codes**

**PROBLEM:** The exemption for farm houses and buildings from county building codes and zoning regulations needs to be clarified. Legislative amendments (1963) and an opinion from the Attorney General's Office (#97-1-1) have made it virtually impossible for counties to apply objective standards in uniformly and consistently administering the exemption. Because of the changing nature of agriculture, this state-mandated exemption will only become more difficult for counties to administer. When counties adopt building and zoning regulations, the public health, safety, and welfare benefits of those regulations should be applied to all households regardless of the owner's occupation. The exemption also prevents a county from enforcing setback requirements on farm buildings. Buildings too close to the road have a significant impact on drifting snow, road maintenance, and traffic safety.

**SOLUTION:** Amend Iowa Code §§331.304(3)(b) and 335.2 to eliminate the farm house exemption. The building exemption would still apply to "farm barns or farm outbuildings," and the zoning exemption would still apply to "land, farm barns, farm outbuildings, or other buildings or structures" used for agriculture. Amend the relevant sections of the Iowa Code to allow for the inclusion of farm buildings in county setback requirements.

## **Bonding for County Courthouse Improvements**

**PROBLEM:** Iowa law requires counties to provide and maintain space for the state-run court system. Under current law, bonds issued for public buildings are authorized as "essential county purpose" bonds if the cost of the building project does not exceed dollar amounts specified in the Iowa Code. The limits are indexed to county populations and increase incrementally from \$600,000 to \$1.5 million. Essential county purpose bonds issued within these parameters require a 10-day notice to the public and are not subject to reverse referendum. Bonds that exceed the limit are considered general county purpose bonds and must be approved by referendum with 60% of the voters approving. This is keeping some counties from providing and maintaining adequate space for the courts.

**SOLUTION:** Amend the Iowa Code to conform the requirements for essential county purpose bonds with the requirements for Iowa's cities and base bond amount limitations for public buildings on the amount of the bonds issued rather than on the total cost of the project. Essential county purpose bond limitation amounts would apply to the principal amount of the bonds issued rather than the cost of the project.

## **Casino Smoking Ban**

**PROBLEM:** The Iowa Smoke Free Air Act states "that the environmental tobacco causes and exacerbates disease in nonsmoking adults and children....sufficient to warrant measures that regulate smoking in public place, places of employment, and outdoor areas in order to protect public health and the health of the employees". Despite this statement, the Smoke Free Air Act specifically exempts restrictions being placed on smoking in casinos.

**SOLUTION:** Amend the Iowa Smoke Free Air Act to eliminate the casino exemption and allow casino employees the same workplace protections of all other Iowans.



# Legislative Objectives

## **Conservation Resources**

**PROBLEM:** Iowa's natural resources need a consistent and protected funding source. Lack of funding translates into fewer investments that are important to quality of life and economic activity in Iowa communities. The Resource Enhancement and Protection (REAP) is a nationally recognized state funding program that helps counties make improvements to parks and facilities, protect important outdoor recreation areas, build and improve trails, protect water quality and conserve soil, conduct education programs, manage roadsides, and preserve and enhance historic sites and tourism attractions. REAP investments are known to enhance Iowans' quality of life and are economically important to Iowa communities. Funding of conservation resources is supported by the public: In November 2010, 63% of Iowa voters approved the creation of a constitutionally protected Natural Resources and Outdoor Recreation Trust Fund. REAP has never been fully funded, and the Natural Resources and Outdoor Recreation Trust Fund has not yet been funded.

**SOLUTION:** ISAC supports the increase in the state sales tax by at least 3/8th of a cent to fund the Natural Resources and Outdoor Recreation Trust Fund, the full funding for REAP, and the retention of the current funding formulas.

## **County Courthouse Furniture and Equipment Funding**

**PROBLEM:** As we have seen county courthouse infrastructure deteriorating in Iowa, some counties have looked to bond referendums to address improvements to their court facilities. Iowa Code §602.1303 mandates that counties shall provide courtrooms, offices and other physical facilities which, in the judgement of the board of supervisors are suitable for the district court, and the counties bear those financial costs that are associated. All additional court expense responsibilities are outlined in Iowa Code §§602.1302 and 602.11101 which require the furnishings, supplies and equipment for the judicial officers and court staff to be paid from funds appropriated by the Iowa General Assembly for the Iowa Judicial Branch. As some counties have recently passed referendums for court renovations and have met their financial obligations according to Iowa Code, the Iowa General Assembly has failed to appropriate the funding the Iowa Judicial Branch needs for the furniture and equipment of the courts. This lack of funding will result in increased construction costs and serious delays in the opening of these facilities whose improvements were approved by over a 60% majority of the residents of the county.

**SOLUTION:** ISAC supports the necessary state funding to the Iowa Judicial Branch for the furniture and equipment needs of Iowa courts as mandated in Iowa Code.

## **County Infractions**

**PROBLEM:** County zoning violations are handled through the courts under Iowa Code Chapter 331.307 - County Infractions. This chapter allows counties to "abate or correct the violation" and the court to enter the cost to clean up the property as "a personal judgment against the defendant or assessed against the property where the violation occurred, or both." If the offending party does not pay for the cost of cleanup or does not pay to relieve the lien from the property, there is no way to force a timely payment of the debt owed to the county.

**SOLUTION:** Amend Iowa Code Chapter 331.307(9) to mirror Iowa Code Chapter 331.384 that relates to public health and safety hazards in order to allow a county to correct a county zoning violation and assess the costs against the property for collection in the same manner as a property tax.

## **Delinquent Taxes for Buildings on Leased Lands**

**PROBLEM:** Counties are dealing with a significant number of mobile homes and trailers with delinquent property taxes. In many instances the buildings on leased land are dilapidated and abandoned because there is no incentive for paying overdue taxes and no significant repercussion for abandoning the building. There is little interest at tax sales for these buildings, and counties are left with choosing between abating the taxes or taking title and using taxpayer dollars to demolish the building and clean up the site.

**SOLUTION:** Amend Iowa Code Chapter 428 to state that for mobile homes and trailers, the building is assessed to the owner of the land and the landowner is responsible for the property taxes due. The landowner could then build the cost of the property taxes into the lease agreement.

# Legislative Objectives

## **Emergency Power Tax Credit**

**PROBLEM:** In the aftermath of a disaster or prolonged power outage, gas stations and grocery stores with access to emergency power are essential to a community's resiliency as they provide vital food, safe water, and fuel that are first steps to recovery. Building additional capacity for these facilities is an important way for towns to build resiliency and safely care for residents.

**Solution:** ISAC supports of the creation of a tax credit for convenience stores, grocery stores, gas stations, and fuel depots to purchase back-up generators to maintain power in the event of a power outage.

## **Funding for Co-Location of DHS Staff in County Office Space**

**PROBLEM:** Iowa Department of Human Services (DHS) regionalization and globalization has forced larger counties to house more state employees and support services in order to provide services to small counties in the DHS region. This reorganization has created efficiencies for state government but has increased the cost to those counties that have larger offices. This has resulted in a continuing cost shift from the state to county government in the housing of these field offices.

**SOLUTION:** ISAC supports an increase of the reimbursement rate to counties that house regional DHS offices.

## **Iowa Public Agency Investment Trust**

**PROBLEM:** Currently, Iowa Code requires the Iowa Public Agency Investment Trust (IPAIT) to comply with Securities and Exchange Commission (SEC) Rule 2a-7. Recent changes to Rule 2a-7 affect the way money market funds are required to value the securities in their portfolios, by switching from an amortized cost method of valuation to a market value method. Under the amended rule IPAIT would fall under a Floating Net Asset Value (NAV) Fund, which requires rounding to a minimum of the fourth decimal place rather than rounding to a constant \$1.00 under the previous rule. Because purchases and sales might not necessarily clear at the same price of par the difference could cause a tax or accounting event for the investor, and could cause instability in the case of a realized loss. Floating NAV Funds will also be required to impose liquidity and gate redemption fees on participants. The SEC created a new "Government Fund" that is exempt from the Floating NAV Fund rule, but the types of investments those funds can make are greatly reduced. If IPAIT restructured the investment portfolio to comply with the Government Fund regulations it would significantly reduce the gross yield to its investors. The Governmental Accounting Standards Board (GASB) has proposed a new accounting statement that will allow government investment pools to value portfolio securities using the amortized cost method of valuation without becoming a Government Fund or changing the composition of the portfolio securities. Under current law, IPAIT is not eligible to be regulated by GASB.

**SOLUTION:** Amend Iowa Code §12B.10(5)(a)(7) to allow a joint investment trust to be operated in accordance with the requirements of GASB for External Investment Pools.

## **Publishing Notices**

**PROBLEM:** It is a costly requirement for counties to publish all notices in newspapers. Counties currently spend in excess of \$3 million per year to publish various notices and other required documents in the newspaper. There are other options that would be much less costly and as accessible to local citizens.

**SOLUTION:** ISAC supports changes to Iowa's open records law that would allow local governments to publish abbreviated notices in the newspaper with a reference to how the entire document may be accessed, including having the document mailed to the constituent upon request; allowing counties to designate only one official newspaper for publication purposes; and allowing publication of resolutions by reference, utilizing a summary statement and informing citizens that the entire text is available for their review.

## **Prisoner Medical Costs**

**PROBLEM:** Various interpretations of Iowa Code §356.15 by the Iowa Supreme Court have resulted in confusion as to whether the county must pay for medical costs prior to accepting custody of a prisoner and for operation of city holding facilities used to hold prisoners prior to being seen by a magistrate if the county cannot or will not accept such persons. Additionally, the case law has resulted in confusion if the county must pay for medical costs, or merely provide access to medical care, in the event the prisoner has independent means to pay for the medical care (through the prisoner's own finances or insurance).

**SOLUTION:** Amend Iowa Code to clearly state that all medical costs of prisoners after an initial appearance before a judge shall be covered by the county unless the prisoner has the financial means for coverage. Also, it should be better defined in Iowa Code on when the sheriff shall fully accept custody of a prisoner.

# Legislative Objectives

## Secondary Roads

**PROBLEM:** Iowa's roads and bridges are a vital component of the continued growth of the state's economy, and every road jurisdiction has struggled to adequately maintain its portion of the road system. The increase in the per gallon fuel tax and permit fees for oversized and overweight vehicles will help address this problem, but the cost of building and maintaining roads continues to increase. In addition to general inflation, Iowa's road maintenance issues have been exacerbated by harsh winters, floods, and heavy equipment usage. Counties are limited in the amount of general fund dollars that can be transferred to be used for secondary roads and bridges, so they are dependent on state and federal funds for critical infrastructure maintenance and repair. Due to the past shortfall in road funding, counties have turned to bonding in order to provide critical funding for maintenance of roads and bridges. These bonds are repaid with property tax revenues, contrary to the state's goal of reducing property tax expenditures throughout the state. Additionally, the use of bonds fails to capture funding from the out-of-state vehicles impacting Iowa's roads. While the fuel tax and permit fee increases will help fund future road and bridge repair and maintenance, more can be done to provide ongoing, stabilized funding.

**SOLUTION:** ISAC recommends the following:

- ISAC supports legislation that would enable the Iowa Department of Transportation to provide primary highway funds to counties and cities in lieu of federal funds. This swap would provide efficiencies for state and local governments as the state is better equipped to comply with federal regulations and would no longer have to oversee and audit federal dollars used at the local level.
- The Transportation Investment Moves the Economy in the 21st Century (TIME-21) law seeks to focus \$225 million on the priorities set by the TIME-21 study. The \$225 million cap to the TIME-21 Fund must be maintained, and increased revenues in excess of this cap should be distributed through the Road Use Tax Fund formula.
- ISAC supports the application of the state excise sales tax on dyed fuel sales, and designating revenue from this source for bridge and culvert repair and replacement on the secondary road system.

## User Fees

**PROBLEM:** Property tax reform passed in 2013 will take an estimated \$761.9 million out of county property tax revenues over the next 10 years. Counties provide necessary services and meet ever-increasing state mandates through property tax revenues. Adequate funding for roads, mental health services, local public health, the Environment First Fund, the Rural Enhancement and Protection (REAP) program and emergency management are areas of concern for counties. There are a number of services that counties provide to the public that are subsidized by property taxes because the fees charged to the customers are not adequate to pay for the service. Many fees have not been raised in years, and the increased expenses are funded by the property tax payer. This is an area that could be addressed by either increasing fees or by providing additional state funding to take the burden off of property taxes.

**SOLUTION:** Provide an avenue for additional self-funding for county government. Options include allowing counties to impose a local option income tax surcharge and allowing more local control of increases for fee-based services. Examples of fees that are controlled by the state and that need adjustment include the following:

- Driver's license fee – increase the amount provided to support this local service from \$7 to \$10;
- Parking fine and court debt collections – allow counties to charge \$5 for collecting delinquent parking tickets for cities and debts for the court system;
- Civil fees - increase sheriff's civil fees for the provision of services in civil actions to better reflect the costs of carrying out these duties;
- Writing fees – add a writing fee of \$1.25 for each certificate of title issued by the recorder for snowmobiles and all-terrain vehicles to align with the fee currently charged for boats.



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