

Eighty-Seventh Iowa General Assembly

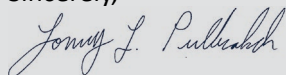
Dear Legislator:

As the state of Iowa and its local governments face continued governance challenges, the need for a strong partnership between the state and the counties is critical. It is important that the two levels of government work together to meet citizen demands while staying within our resources. Accordingly, we are providing you with this copy of the Iowa State Association of Counties (ISAC) 2018 Legislative Priorities. The county platform was crafted by the ISAC Legislative Policy Committee, voted on by the membership, and ratified by the ISAC Board of Directors during its November 16, 2017 meeting.

ISAC's top priorities for the coming session include working together to address the continued funding challenges facing the regional mental health and disability services system and Iowa's roads and bridges. ISAC will be advocating for tax reform that is comprehensive and fully funding the backfill. Lastly, ISAC supports addressing water quality management and supporting Iowa's natural resources by funding the Natural Resources and Outdoor Recreation Trust Fund and maintaining the current distribution formula.

We look forward to working with you this session, and we hope to continue to improve the state and local partnership. If you have any questions, please do not hesitate to contact us or a member of our government relations team: Jamie Cashman or Lucas Beenken.

Sincerely,



Lonny L. Pulkrabek
President



William R. Peterson
Executive Director



ISAC Government Relations

Jamie Cashman
ISAC Government Relations Manager
jcashman@iowacounties.org
515.210.9845

Lucas Beenken
Public Policy Specialist
lbeenken@iowacounties.org
515.408.1780

2018 ISAC Legislative Policy Committee

This Legislative Policy Committee is composed of two representatives from each ISAC affiliate. The committee has worked together to create this short and cohesive set of legislative objectives for ISAC to pursue in 2018.

Committee Chair

Eric Stierman
Dubuque County Treasurer, ISAC 1st Vice President

Assessors

Dale McCrea, Muscatine County
Tom Van Buer, Johnson County

Auditors

Heidi Burhans, Madison 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
Dave Wilson, Johnson 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
Michelle Fields, Greene County

Public Health

Lynelle Diers, Wapello County

Recorders

Chad Airhart, Dallas County
Megan Clyman, Davis County

Sheriffs and Deputies

Chad Cribb, Scott County
Lonny Pulkrabek, Johnson County

Supervisors

Eugene Meiners, Carroll County
Denny Wright, Sioux County

Treasurers

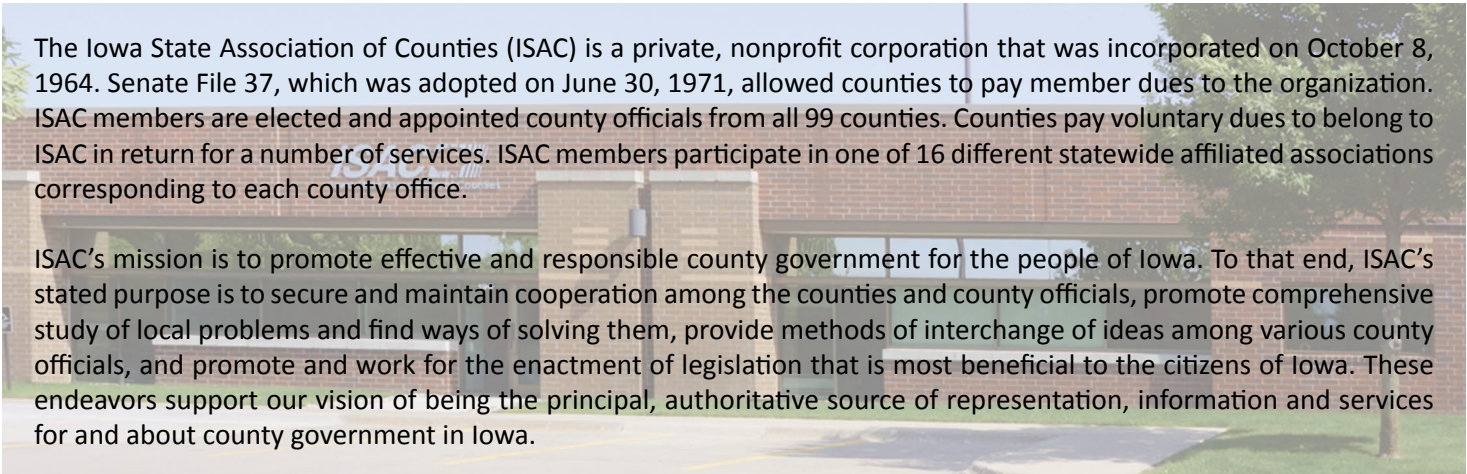
Tracey Marshall, Cass County
Linda Zuercher, Clayton County

Veterans Affairs

Gary Boseneiler, Johnson County
Chris Oliver, Wright County

Zoning

Joe Buffington, Henry County
Josh Busard, Johnson County



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. ISAC members participate in one of 16 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.

2018 ISAC Top Priorities Continued



Mental Health and Disability Services

PROBLEM: While progress was made during the 2017 session in addressing mental health and disability services (MH/DS) funding, specifically levy equity for counties within MH/DS regions, challenges remain in providing sufficient resources for core plus services that are being required by the Iowa Department of Human Services. In addition, Iowa still faces shortages in the number of psychiatric beds and mental health professionals serving an increasing number of Iowans with severe mental illness.

SOLUTION:

- Provide for adequate levels of MH/DS services outside of the correctional system. These services would include the necessary number of psychiatric beds in our mental health facilities and hospitals to address acute care needs. In addition, the Iowa Legislature should address the severe lack of mental health professionals in Iowa especially in our rural areas.
- Provide sufficient funding for the effective implementation of a Children's MH/DS program.



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 oversize 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. The use of Transportation Investment Moves the Economy in the 21st Century (TIME-21) funds is limited to farm-to-market and bridge construction. 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:

- The 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.
- Remove restrictions on the use of TIME-21 and other new road funds and allow counties to use all new road funds for any secondary road purpose.
- Apply the state excise sales tax on dyed fuel sales and dedicate the revenue to bridge and culvert repairs and replacements on the secondary road system.
- Explore the use of surcharges, impact fees, development fees, or licensing fees for large confinement operations, hydraulic fracturing projects, biofuel production facilities, and wind energy conversion farms. Examples include but are not limited to: a per head livestock fee; a per gallon liquid manure fee; a permit fee for large agricultural equipment used on county roads; a minimal per gallon fee for each gallon of biofuel produced; or other use-based fees.

2018 ISAC Top Priorities Continued



Tax Reform

PROBLEM: Property Tax reform legislation that was passed in the 2013 legislative session is providing property tax relief for several classifications and subsets of property, but changing the assessment methodology for certain property has unduly reduced the future revenue of local governments. While the new business property tax credit and legislatively imposed rollback are funded in large part by state dollars, changes to the taxable value of multi-residential and telecommunications property will have a detrimental effect on future property tax revenues. Additionally, capping backfill funding and reducing the assessment growth limitation percentage will only further threaten the future revenue of local governments, and by extension, the services they provide to the taxpayers. In the absence of true reform, Iowa's property tax system is still in need of equity among classes and stability for local governments.

SOLUTION: Comprehensive property tax reform should continue to be a primary goal of the Legislature in 2018 and the years ahead. This legislation should include property tax reform that stabilizes the tax base, resolves unfair discrepancies within the current tax base, improves accountability in the budgeting processes of local governments, and imposes a reasonable limitation on city and county property taxes while maintaining local control for citizens and their elected representatives. The legislature should fully fund the property tax credits and rollback replacement claims, and should consider an appropriation to help local governments deal with the reduction in revenue due to the changes to the assessment methodology for multi-residential and telecommunications property. There are six steps that the Iowa Legislature could take that would improve the system and address the tax burden of local property owners:

1. As the state determines how to manage its funding priorities, the legislature must understand that funding taken from local government will result either in significant cuts in services or increased property taxes. Any proposal brought forth that reduces the percentage at which property is assessed should be revenue neutral or provide the necessary level of funding to replace the loss in local government property tax dollars. Funding for services that the county is required to provide should be equal to the cost of services.
2. Legislation should be passed to decouple agricultural buildings from agricultural land, and to value agricultural buildings at their full market value. Agricultural buildings account for about \$1.5 billion, or 5.1% of agricultural taxable value. However, the value generated from 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 is doubly problematic because large-scale livestock operations and grain facilities impose significant additional costs on counties, such as for road maintenance, without expanding the tax base to help pay for those costs.
3. Legislation should decouple residential and agricultural property for purposes of the assessment growth limitation. The practice of limiting the growth of both classes to the lower level of the two, which began in the late 1970s to address rapidly rising residential values, is outdated and contributes to the growing disparity between residential property and commercial/industrial property. Each class of property should rise or fall, subject to the assessment growth limitation, on its own market factors.
4. The assessment growth limitation should also have a lower limit. While there is currently a ceiling, there is no floor to limit the decline of taxable property value in adverse markets. By setting a limit on the devaluation in a given year, the property tax revenue stream would be protected from sharp declines in property valuation. While the assessed value would decline with the market, the taxable value would not be rolled back as much with lower limits in place.
5. The state sales and use tax should be increased by up to one cent. The first 3/8 of a cent is dedicated to the Natural Resources and Outdoor Recreation Trust Fund, leaving additional sales tax revenue that can be used to fund mental health and disability services currently covered by property taxes and to provide income tax relief.
6. The legislature should allow local governments to diversify their revenue sources. One progressive tax alternative to explore is a local option income tax surcharge that could be imposed by counties to generate additional revenues.

2018 ISAC Top Priorities Continued



Water Quality Management

PROBLEM: It has been well documented by numerous sources that there is a need to provide adequate, sustainable, dedicated state financial resources to address the state-wide concerns related to Iowa's water quality management issues. Specific concerns relate to the unacceptably high level of nitrates and phosphorus that are entering our water system. In addition, there are on-going issues that must be addressed in our efforts to minimize future losses caused by flooding through effective flood mitigation programs.

SOLUTION: ISAC recommends the following:

1. The passage of a statewide sales tax increase of at least 3/8s of a penny in support of the Natural Resources and Outdoor Recreation Trust Fund, or I-WLL, to which it is commonly referred.
2. The maintaining of the distribution formula found in Iowa Code Chapter 461, outlined by the Iowa Legislature in support of the 2010 vote by Iowans on the Constitutional Amendment.
 - 23% allocated to a Natural Resources account, created in the Trust Fund to be used by the Iowa Department of Natural Resources
 - 20% to go to a soil conservation and protection account created in the Trust Fund to be used by the Department of Agriculture and Land Stewardship for soil conservation and water protection
 - 14% to be used for watershed protection
 - 13% to fund the Iowa Resource Enhancement and Protection (REAP) Fund
 - 13% to be used for local conservation partnerships
 - 10% to be used for land-based trails
 - 7% to be used for lake restoration
3. The identification of additional financial resources to be used to address the water quality management issues. Specifically, ISAC would:
 - Encourage significant funding for, and, the aggressive implementation of a revolving loan program so that critical funds could be used for multiple projects throughout the years ahead.
 - Encourage a significant amount of funding be utilized to assist cities and towns in their efforts to upgrade their water treatment facilities.
4. The implementation of, and funding for, a network of statewide watershed authorities, through the effective use of 28E agreements. These watershed authorities could provide coordination of efforts in specific areas/regions of the state.
5. The passage of legislation that would support and encourage public sector entities, such as counties, to be directly involved in water mitigation projects that could involve county conservation boards, etc.

Iowa State Association of Counties 2018 Legislative Objectives

- Closing of the Polls
- County Infractions
- First Responders Safety Act
- Food Safety
- Groundwater Hazard Statement Formatting Exemption
- Master Matrix Review Fee
- Publishing Resolutions
- Salary of Deputy County Auditor
- Security Interest Provisions
- Super Speeders
- Tax Increment Financing
- Title to Abandoned Property
- User Fees

Closing of the Polls

PROBLEM: Poll workers work 16 hour days for primary and general elections which makes it difficult to attract workers on election day. Furthermore, the media, the public, and political candidates are increasingly asking for earlier and quicker election results. In addition, only three states (Iowa, New York, and North Dakota) close their polls at 9:00 pm.

SOLUTION: Amend Iowa Code §49.73(2) to read “The polling places shall be closed at 8:00 pm for state primary and general elections and other partisan elections, and for any other election held concurrently therewith, and at 8:00 pm for all other elections.”

County Infractions

PROBLEM: County zoning violations are handled through the courts under Iowa Code §331.307(9). This Section 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 §331.307(9) to mirror Iowa Code §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.

First Responders Safety Act

PROBLEM: During some emergencies and disasters mandatory evacuations are required to protect lives. Gas and electrical utilities pose a threat to those who refuse to evacuate and to responding emergency and recovery personnel.

SOLUTION: Require utilities to temporarily stop service within mandatory evacuation zones. In addition, require the Iowa Utilities Board to annually provide a current, searchable mapping system that is either Internet-based or provided in hard copy to all local 911 centers, state homeland security, and emergency management, and to local emergency management commissions that will identify what utility company provides electrical and/or natural gas services to a structure by address.

Iowa State Association of Counties **2018** Legislative Objectives

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 inspection 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 degrading 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.

Groundwater Hazard Statement Formatting Exemption

PROBLEM: Groundwater hazard statements are required to be recorded with each declaration of value by the county recorder. The prescribed form from the Iowa Department of Natural Resources for groundwater hazard statements does not meet the formatting requirements for recorded documents, and is not included in the list of documents that are exempt from those requirements.

SOLUTION: Amend Iowa Code §331.606B(5) to include groundwater hazard statements on the list of documents that are exempt from recorded document formatting requirements.

Master Matrix Review Fee

PROBLEM: Counties that have adopted a Construction Evaluation Resolution (CER) are required by Iowa Code to perform certain duties within a specified time frame in their review of Concentrated Animal Feeding Operations that are subject to the Master Matrix. Counties expend significant staff time and resources in this review, yet are not authorized to collect an application fee to offset those costs, so the cost of the review process is subsidized by all county taxpayers. Furthermore, if an applicant fails to earn the required points on the Master Matrix they will likely withdraw the application and re-submit when the deficiencies have been addressed, but they have already used a significant amount of staff time and resources for the review. This could be resolved if counties were authorized to conduct a pre-application review in order to identify deficiencies that could be fixed prior to the formal submittal by the applicant.

SOLUTION: Amend Iowa Code §459.304 to enable counties to collect a Master Matrix review fee and to require an optional pre-application review of an applicant's Master Matrix score prior to the formal submittal by the applicant of a Construction Permit Application to the Iowa Department of Natural Resources.

Publishing Resolutions

PROBLEM: It is a costly requirement for counties to publish complete text of all resolutions in newspapers. There are other options that would be much less costly to taxpayers and more accessible to local citizens.

SOLUTION: Change Iowa Code Chapters 349.16, 349.18, 331.504(1) and 331.504(6) to allow local governments to publish summaries of resolutions in the newspaper, similar to what is provided for ordinances in Iowa Code §331.302(8), and with a reference to how the entire document may be accessed.

Iowa State Association of Counties **2018** Legislative Objectives

Salary of Deputy County Auditors

PROBLEM: According to Iowa Code §331.904, the Deputy County Auditor assigned to Election Administration is restricted to the cap of no greater than 80% of the Auditor's salary. Conducting elections has become more complex since the passage of the Help America Vote Act (HAVA) and those assigned to the administration have not been properly compensated.

SOLUTION: Amend Iowa Code §331.904 to add "the deputy in charge of election administration" to the list of deputies that can receive up to 85% of the deputy's principal officer.

Security Interest Provisions

PROBLEM: When a security interest in a vehicle is discharged the holder is required to note the cancellation of the security interest on the face of the certificate of title over the holder's signature and to deliver it to the county treasurer. Because 23 states allow the release to appear on the title or on a separate lien release form or letter and an additional seven states require the lien to be released via a separate form, lenders are increasingly sending the title with a release form but without noting the cancellation on the face of the title. This creates an administrative burden and delays, because the county treasurer must send it back to the holder to properly note the cancellation.

SOLUTION: Amend Iowa Code §321.50(5)(a) to allow the holder of the security interest to provide a separate notarized lien release form or letter along with the title to the county treasurer when the security interest is discharged.

Super Speeders

PROBLEM: Excessive speeding is becoming an increasing issue throughout the state. As a result, we have seen an increase in fatalities because of extreme speeding. Vehicle speed has been regulated by state law, but current fines for those traveling more than 25 mph over the posted limit may not be enough of a deterrent.

SOLUTION: Amend the "Reckless Driving" chapters of Iowa Code to include those convicted of speeding more than 25 mph over the posted limit.

Tax Increment Financing

PROBLEM: Although ISAC supports the intent of legislation designed to encourage economic development, such as Tax Increment Financing (TIF) projects, the overall financial impact on counties can be significant. Several steps can be taken to improve TIF without significantly affecting its use as an economic development tool.

SOLUTION: Pass legislation that:

- Limits all TIF districts 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.
- Reestablishes the base year or advances to the current valuation level anytime there is a renewal of a TIF district and/or project or anytime the boundaries of the TIF district are modified.
- Establishes a limit of less than 100% for the division of revenue with the remainder apportioned to the other taxing jurisdictions.
- Requires a fiscal impact statement be prepared by the entity requesting the TIF prior to final approval.
- Applies the rollback proportionately to both the base and the incremental valuation in a TIF district.
- Prohibits the use of TIF revenue for public buildings that would not normally generate property tax revenue.
- Prohibits tax abatement in TIF and rural improvement zone (RIZ) districts.
- Provides for formal "oversight" at the state level of the use of the TIF process.

Iowa State Association of Counties 2018 Legislative Objectives

Title to Abandoned Property

PROBLEM: A city may petition the court to enter judgment awarding title for abandoned property to the city and the county treasurer shall cancel the sale of the property and refund the purchase money to the tax sale certificate holder upon receipt of the petition and a verified statement declaring the abandoned property. The abatement of taxes takes place upon the receipt of the petition, but oftentimes the city does not actually take possession of the property and the property tax bill is left unpaid.

SOLUTION: Amend Iowa Code §657A.10A to require the county treasurer to cancel the tax sale certificate and refund the purchase money and certificate fee when the deed is transferred to the city rather than upon receipt of the petition and verified statement.

User Fees

PROBLEM: 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 have not been adjusted in years and are not adequate to pay for the service. This is an area that could be addressed by either modernizing fees or by providing additional state funding to take the burden off of property taxes.

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

- Parking fine and court debt collections – allow counties to charge \$5 for collecting delinquent parking tickets for cities and debts for the court system;
- Marriage license fee – adjust the application fee for a marriage license from \$35 to \$45 and realign the amount retained by the county from \$4 to \$14; and
- Vital records fee – set the amount retained by the county for certified copies of vital records at 40% of the fee set by administrative rule.

Mission promote effective and responsible county government for the people of Iowa.

Vision principal, authoritative source of representation, information and services for and about county government in Iowa.

ISAC
Iowa State Association of Counties
www.iowacounties.org

2018 ISAC Board of Directors

Each of ISAC's affiliates has one seat on ISAC's Board of Directors (except Supervisors, which have three). According to ISAC's Articles of Incorporation, the Directors shall be elected annually at the annual or special meeting of each affiliated association.



Burlin Matthews
ISAC 2nd Vice President
Clay County Supervisor



Joe Neary
Palo Alto County
Environmental Health



Carl Mattes
Humboldt County
Supervisor



Peggy Rice
ISAC Past President
Humboldt County Auditor



Joel Rohne
Worth County IT



Russell Wood
Franklin County
Community Services



Kathy Babcock
Chickasaw County
Public Health



Shane Walter
Sioux County
Planning and Zoning



Denny Wright
Sioux County Supervisor



Matt Cosgrove
Webster County Conservation



Melvyn Houser
ISAC Past President
Pottawattamie County Auditor
NACO Board Representative



Wayne Reisetter
ISAC 3rd Vice President
Dallas County Attorney



Jean Keller
Bremer County Assessor



Joan McCalmant
ISAC Past President
Linn County Recorder



Lonny Pulkrabek
ISAC President
Johnson County Sheriff



Brad Skinner
Montgomery County
Engineer



AJ Mumm
Polk County
Emergency Management



Elizabeth Ledvina
Tama County
Veterans Affairs



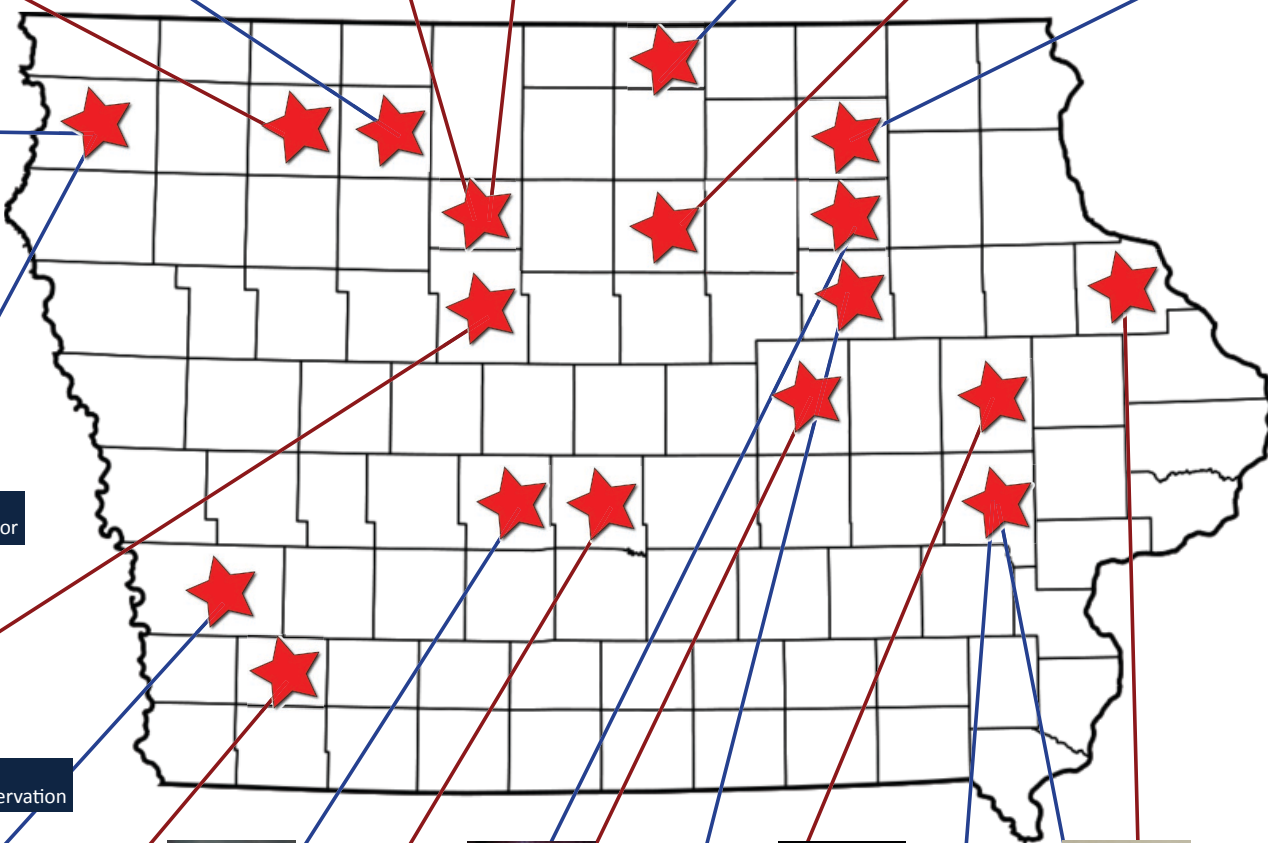
Grant Veeder
Black Hawk County Auditor
NACO Board Member



Kim Painter
Johnson County
Recorder



Eric Stierman
ISAC 1st Vice President
Dubuque County Treasurer





Iowa State Association of Counties
5500 Westown Parkway, Suite 190
West Des Moines, IA 50266
Phone: 515.244.7181
Fax: 515.244.6397

www.iowacounties.org