

★ 2025 LEGISLATIVE RECOMMENDATIONS ★

CONTENTS

LEGISLATIVE STATEMENTS PAGE 2

Home Rule
State Mandates
Funding of Local Services

LEGISLATIVE OBJECTIVES PAGE 3

Eminent Domain
Medicaid Funding
Iowa's Natural Resources and Water Quality and Quantity
Property Tax Reform

POLICY STATEMENTS PAGE 4-6

Broadband
County Mandates Related to District Court Security
Emergency Medical Services (EMS) Levy in TIF Districts
Emergency Management Funding and Governance
Forest Reserve Property Tax Exemption
Land Redevelopment Trusts
Local Government Reform
Ongoing Funding for the Road Use Tax Fund
Property Tax Decoupling
Review of the Master Matrix System
Tax Increment Financing
Wind and Solar Energy Generation Siting
Wind Turbine Decommissioning

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2025 LEGISLATIVE STATEMENTS



Home Rule

The Iowa State Association of County Supervisors strongly believes in and supports the state of Iowa's County Home Rule Constitutional Amendment, amendment 37, passed by the citizens of Iowa on November 7, 1978, and now found in Iowa Code Chapter 331:

Counties home rule. Article III, §39A.: Counties or joint county/municipal corporation governments are granted home rule power and authority, not inconsistent with the laws of the general assembly, to determine their local affairs and government, except that they shall not have power to levy any tax unless expressly authorized by the general assembly...

The proposition or rule of law that a county or joint county-municipal corporation government possesses and can exercise only those powers granted in express words is not a part of the law of this state.

Iowa Code §331.301: A county may, except as expressly limited by the Constitution of the State of Iowa, and if not inconsistent with the laws of the general assembly, exercise any power and perform any function it deems appropriate to protect and preserve the rights, privileges, and property of the county or its residents, and to preserve and improve the peace, safety, health, welfare, comfort, and convenience to its residents.

State Mandates

The Iowa State Association of County Supervisors supports the State Mandates Act contained in Iowa Code Chapter 25B. State mandates relating to activities of counties and state programs or services performed by counties should be funded as outlined in this chapter. Unfunded and underfunded mandates place an undue burden on property taxpayers that should be the obligation of state taxpayers or those paying a fee for service. The Iowa Legislature should make every effort to respect the spirit of the State Mandates Act and ensure that any state mandate placed on a county is fully funded.

Funding of Local Services

The Iowa State Association of County Supervisors believes county governments provide high-quality, vital services that the residents of Iowa rely on and desire. Counties utilize a combination of property taxes, local option sales taxes, fees for service, intergovernmental transfers, and other sources of revenue to fund these services. The Iowa Legislature should prioritize modernizing fees for service counties are authorized to collect and consider other means by which local revenue can be generated in order to maintain local services.



2025 LEGISLATIVE OBJECTIVES



1. Eminent Domain

PROBLEM: Multiple hazardous material, underground pipelines are being proposed for construction in Iowa and the use of eminent domain to secure land rights will continue to be contemplated. Aside from submitting concerns to the Iowa Utilities Commission (IUC), landowners and county supervisors have little local control in ensuring property rights. The proposed pipelines are not a public utility, and arguably do not provide a public use or public purpose that would trigger the eminent domain authority.

SOLUTION: Amend Iowa Code Chapter 479B to prohibit the use of eminent domain by a carbon sequestration or other hazardous material pipeline company that is not a public utility and that is not serving a public use and/or purpose.



2025 LEGISLATIVE OBJECTIVES



2. Medicaid Funding

PROBLEM: Providing sufficient state funding to reimburse dental, emergency medical, hospitals, mental health, and nursing homes for Medicaid-covered services, especially in rural Iowa, continues to be a major issue that has resulted in challenges to fund staff and to keep these facilities open for our most vulnerable Iowans. In addition, due to the Federal requirement that prisoners lose their Medicaid coverage once they are incarcerated, this has placed that financial burden on counties for their medical expenses once they are placed in county jails. These medical expenses have significantly grown in recent years, especially for those individuals that require medication for treatment of complex mental health needs.

SOLUTION: Increase of the reimbursement rate for all Medicaid-covered services that, at a bare minimum, covers the rate of inflation. In addition, the Iowa Department of Health and Human Services is strongly encouraged to apply for a state waiver for Iowa to the federal Department of Health and Human Services that would maintain Medicaid coverage for those housed in county jails. We also support Medicaid expansion to meet the needs of adults incarcerated in our county jails and children being served in our juvenile court system.

3. Iowa's Natural Resources and Water Quality and Quantity

PROBLEM: Iowa's natural resources and outdoor recreation opportunities are significantly underfunded at the state level. The Natural Resources and Outdoor Recreation Trust Fund has remained empty since it was established in 2010. Legislators and the Governor have yet to raise the state sales tax – the funding mechanism in the Iowa Constitution. The funding formula in state law (Iowa Code Chapter 461) is favored by counties, but changes to the formula are expected. In the end, any changes to the Iowa Code funding distribution must meet the integrity of the language that was inserted into the Iowa Constitution in 2010.

Addressing Iowa's water quality and quantity issues remain a major challenge with the tremendous need to provide boots on the ground to implement improvements on a watershed basis as well as expanding flood mitigation activities that include nature-based infrastructure.

SOLUTION: Raise the state sales tax by a minimum of 3/8-cent and retain the integrity of the formula to meet the promises defined in the Iowa Constitution. Any change to the funding formula should be acceptable to county conservation boards and boards of supervisors. There have been proposals to fund the Trust in the past as part of broader tax plans. Any proposal that funds the Trust, retains the integrity of the funding formula, and is a large, net win for conservation is worthy of consideration. In addition, state funding should be provided to fund watershed management coordinators in watershed management authorities throughout the state that can better organize efforts in water quality improvements and flood protection. Lastly, to further address flood mitigation in Iowa, nature-based infrastructure should be an allowable expense for counties to invest in for flood mitigation.

4. Property Tax Reform

PROBLEM: Legislation passed in 2023 aims to impose reasonable limits on county and city property tax growth and to improve accountability in the budgeting processes of local governments. Legislation passed in 2024 worked to address issues with implementation and unintended consequences. As counties adapt to these changes, more work is needed to address how statewide limitations affect 99 unique counties differently. Further, reductions to future county revenue are not harmonious with the increasing costs of providing local services, oftentimes outside of the control of county supervisors.

SOLUTION: Continue to work to improve previously enacted legislation, including consideration of unique circumstances affecting county revenue and/or expenditures. The Legislature should separate valuation growth due to new construction from market value increases for purposes of legislatively imposed limitations. ISACS supports the following steps that the Iowa Legislature could take in conjunction with property tax limitations to address the tax burden of local property owners:

1. Ensure funding or fees for services that the county is required to provide are equal to the cost of providing the services. The fees retained by counties for state services performed at the local level are not covering this cost and property taxpayers are subsidizing these state services.
2. Ensure equity and accountability in the cost sharing arrangements between the State and counties. Some examples include providing space for the judicial branch/courts and the Department of Health and Human Services, as well as the funding of juvenile detention services.
3. Consider revenue replacement or revenue sharing to protect local services in the face of property tax revenue reductions.



2025 LEGISLATIVE POLICY STATEMENTS



Broadband

As the State of Iowa and the federal government have invested significant funding for the expansion of broadband in Iowa, there is a tremendous need for the strategic development of this funding and that local providers are included in this process to see that they are utilized as well. Therefore, ISACS calls on the State of Iowa to develop a state-wide comprehensive plan to provide these services to maximize these resources and that all affected stakeholders be included in this effort.

County Mandates Related to District Court Security

Security within our district courts has become a very important issue throughout the state of Iowa. Currently, there is no consistency throughout the state as to what security measures should be in place. In addition, the current funding process places the financial burden of any security measures taken on the counties. ISACS supports efforts to enhance security in our district courts; however, we would like to work with the State Judicial System to develop consistent requirements for each district court and a funding solution for the security measures required that does not place 100% of the financial burden on counties.

Emergency Management Funding and Governance

County emergency management commissions are comprised of a county supervisor, the mayor of each city, and the county sheriff. Lack of clarity and changing law have caused issues with property tax levy authority and where it ultimately lies. ISACS supports restoring the language "approved by the board of supervisors" in Iowa Code §29C.9(2)(a) as it relates to a county-wide special levy in order to give the board the final say over the county-wide levy. Further, ISACS supports exploring incentives for the regionalization of emergency management services to maximize taxpayer funding.

Emergency Medical Services (EMS) Levy in TIF Districts

Counties are authorized to declare emergency medical services (EMS) an essential county service and to impose a voter-approved property tax not to exceed \$0.75 per \$1,000 of taxable valuation. Under current law this additional levy and the resulting revenue are considered part of the divided revenue for property subject to tax increment financing (TIF). The increased revenue going to TIF is not incremental growth and should remain dedicated to the voter-approved purpose of funding EMS. ISACS supports an exemption from division and reallocation for property tax revenue in a TIF district resulting from a voter-approved EMS property tax levy in a way similar to debt service for local taxing districts and physical plant and equipment levies (PPEL) for school districts.

Forest Reserve Property Tax Exemption

ISACS understands the value of the wildlife habitat, water quality, soil preservation, and outdoor recreation provided by property tax exemption for forest reserve land but recognizes there are abuses and misuses of the program and enrolled land still receives public services such as road maintenance and emergency services. ISACS supports exploring a partial rollback of the exemption or a payment-in-lieu-of-taxes, consideration of moving the minimum acres for qualification from two to five acres, and increased tools for enforcement of program rules.

Land Redevelopment Trusts

ISACS supports enabling legislation to authorize the creation of land redevelopment trusts. These municipal entities have proven effective in other states in: decreasing the number of blighted and abandoned properties in the region; increasing the access to affordable housing; increasing access to buildings and land to redevelop; increasing tax revenues; and turning community liabilities into assets. Enabling legislation should create a framework to provide the entity with the special powers necessary to have an impact in Iowa and to provide a basis for city and county powers, taxation of properties, and tax sales.

Local Government Reform

ISACS opposes any state mandated reorganization of local government based on our belief that any such effort should be citizen driven.

Ongoing Funding for the Road Use Tax Fund

While ISACS appreciates the increased funding to the Road Use Tax Fund provided by passage of SF 257 during the 2015 legislation session, we recognize that adequate funding to properly maintain our highways, roads, and bridges is a long-term concern. More needs to be done to fund the maintenance and repair of our aging infrastructure. ISACS supports legislation



2025 LEGISLATIVE POLICY STATEMENTS



that would include innovative revenue generating ideas, such as surcharges, impact fees, development fees, or licensing fees. Current fees should be modernized, and the fuel tax should apply to dyed fuels with those revenues specifically dedicated to secondary roads and bridges. ISACS also supports an increase in the per gallon federal fuel tax. ISACS encourages the continued exploration of user fees for electric vehicles that do not contribute to road and bridge maintenance and repair through the fuel tax. Finally, ISACS encourages an evaluation of the partnership among federal, state, and county governments as it relates to infrastructure funding, and particularly the federal swap arrangement.

Property Tax Decoupling

ISACS supports continued work on the property tax system that would stabilize the tax base and resolve unfair discrepancies within the current system. ISACS supports the following steps that the Iowa Legislature could take to eliminate antiquated methods of coupling property for assessment purposes:

1. Legislation should be passed to phase-in a decoupling of agricultural buildings from agricultural land and to value agricultural buildings at their full market value. The value generated from agricultural buildings is automatically subtracted from the value generated for agricultural land by the productivity formula, so 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.
2. 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.

Review of the Master Matrix System

The Master Matrix System related to the approval of confined animal feeding operations (CAFOs) within the state of Iowa has not been updated since 2003. Because the Iowa Legislature is the only body authorized to make any modifications to the Master Matrix system, ISACS supports an effort on behalf of the Iowa Legislature to pass legislation that would call for an interim study that would review the current Master Matrix System and to evaluate recommendations that may enhance the current system. Specifically, issues such as siting, separation distances, and requiring a minimum amount in each area of the Matrix should be considered. Additional issues should also be addressed such as the ownership loophole that allows several buildings to be built close together if they are below the permitted animal unit thresholds as well providing counties the ability to participate in the allocation of points in the Matrix. Also, all sizes of operations should be studied as well on their impact whether they are permitted or not. Further, ISACS also calls for the livestock industry to continue to work with boards of supervisors on individual siting proposals and to push for dialogue in counties where this is not taking place.

Tax Increment Financing

ISACS supports tax increment financing (TIF) as an economic development tool for counties and cities, but the overall financial impact of divided revenue can be significant. To improve TIF without significantly impacting its use as an economic development tool, all TIF districts should be limited to a certain number of years, and perpetual TIF districts should be phased out. The base year should be re-established anytime there is a renewal. ISACS supports the current division of revenue and would oppose the elimination of certain jurisdictions when dividing revenue.

Wind and Solar Energy Generation Siting

ISACS opposes legislation that circumvents local control over policy or land use decisions or supersedes local zoning ordinances related to the siting of wind or solar energy generation facilities. ISACS supports additional county and public input on energy generation property siting when not covered by a local ordinance.

Wind Turbine Decommissioning

As wind energy production continues to expand in Iowa, counties are now facing issues with the first generation of wind turbines and how the decommissioned components are disposed of as upgrades are made or if companies go out of business. Therefore, ISACS strongly encourages all Iowa counties to develop a decommissioning plan for wind energy companies that build within the county and that it provides protections such as a bond, indemnity, and other means that can address these issues and not fall upon the burden of the county taxpayers. ISACS supports a statewide indemnity fund for wind turbines.