



# 2026 ISAC Legislative Top Priorities

- PROPERTY TAX REFORM
- EMINENT DOMAIN

## 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. ISAC 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.

## 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 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.



# 2026 ISAC Legislative Top Priorities

- MEDICAID FUNDING
- SECURING AND PROTECTING IOWA'S WATER RESOURCES

## MEDICAID FUNDING

**PROBLEM:** Providing sufficient state funding to reimburse dental, emergency medical, hospitals, mental health and disability services, and nursing homes for Medicaid-covered services, especially in rural Iowa where it continues to be a major issue that has resulted in challenges to fund staff and keep these facilities open for our most vulnerable Iowans. In addition, the federal requirement that prisoners lose their Medicaid coverage once they are incarcerated, the financial burden for inmate medical expenses falls to the county taxpayers once an individual is placed in county jail. These medical expenses have significantly grown in recent years, especially for individuals who require medication for treatment of complex mental health needs.

**SOLUTION:** ISAC supports the State of Iowa funding an 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.

## SECURING AND PROTECTING IOWA'S WATER RESOURCES

**PROBLEM:** More and more individuals and communities across the state are experiencing threats to their drinking water supplies. These include contamination from PFAs (per- and polyfluoroalkyl substances) and nitrates, as well as water shortages due to drought, development of emerging high-volume industrial uses such as Data Centers, or corporations seeking to export Iowa ground water out-of-state for profit. The need for long-term investment and strategic planning to secure and protect our communities' drinking water supplies, both surface and subsurface, is needed now more than ever.

**SOLUTION:** Iowa Code should be updated to require high-volume uses to develop and operate in ways that preserve water resources, as well as limit or prohibit companies from exporting Iowa ground water out-of-state for profit. In addition, the State of Iowa should partner with Iowa Counties and Cities to look at ways to mitigate contaminants such as nitrates and PFAs in Iowa drinking water supplies, including ways to provide financial incentives and joint planning to aid in these mitigation efforts.



## 2026 ISAC Legislative Top Priorities

- **IOWA'S NATURAL RESOURCES AND OUTDOOR RECREATION**
- **COUNTY ACCESS TO THE IOWA COMMUNICATIONS NETWORK**
- **E-911 AND PUBLIC SAFETY INTEROPERABILITY**

### **IOWA'S NATURAL RESOURCES AND OUTDOOR RECREATION**

**PROBLEM:** Iowa's natural resources and outdoor recreation opportunities are significantly under-funded at the state level. The Natural Resources and Outdoor Recreation Trust Fund continues to remain 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. In addition, ISAC has tremendous concerns over the sunset of the Resources Enhancement and Protection (REAP) Program which is scheduled to expire in 2026.

**SOLUTION:** Raise the 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.

Finally, ISAC supports full funding of REAP through the Natural Resource and Outdoor Recreation Trust Fund. An increase in Iowa's sales tax automatically fully funds REAP, now and into the future. The fallback solution is to fully fund the Program through gaming receipts as originally intended and to extend the sunset for at least another 10 years (2036).

### **COUNTY ACCESS TO THE IOWA COMMUNICATIONS NETWORK**

**PROBLEM:** Unless they were receiving communications services from the state prior to April 1, 1986, political subdivisions are not allowed access to or service from the Iowa Communications Network (ICN). Many counties have ICN fiber in their facilities to serve other entities but are not allowed to access the service. The ICN could be a higher quality, more cost-effective option than private service providers for many counties.

**SOLUTION:** Amend Iowa Code §8D.11(4) to allow all political subdivisions to access and contract for ICN services.

### **E-911 AND PUBLIC SAFETY INTEROPERABILITY**

**PROBLEM:** E-911 surcharge funding is essential to providing 24/7, reliable 911 services in all of Iowa's 99 counties. The 911 wireless surcharge was last set at \$1 per line in 2013. If adjusted for inflation, the surcharge would be around \$1.38 today. Additionally, 911 surcharge dollars continue to pay for less of overall E-911 equipment and services shifting the funding burden to the property taxpayer instead. As costs increase and 911 surcharge funding remains flat, the cost for reliable 911 services must then come from property taxpayers.

**SOLUTION:** ISAC supports increasing the 911 surcharge to ensure 911 services are always available for Iowans and to prevent a continued cost shift to property taxpayers.