

# ★ 2026 LEGISLATIVE RECOMMENDATIONS ★

## 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 Chapter 331 of the Iowa Code:

*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 Chapter 25B of the Iowa Code. 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 and 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 to maintain local services.

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# 2026 LEGISLATIVE OBJECTIVES



## **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 Board (IUB), land-owners 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.

## **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 Human Services that would maintain Medicaid coverage for those housed in county jails.

## **Iowa's Natural Resources, Outdoor Recreation, 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.

## **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.