



GOVERNMENT AFFAIRS NEWSLETTER

Week 9 State Legislative Session

Last Thursday (March 11,) President Biden signed the American Rescue Plan into law. This legislation will send another stimulus check to eligible Americans, ensure a portion of unemployment benefits will remain untaxed, and provide additional funding for vaccine distribution.

The Iowa Legislature is nearly halfway through the session. Week 9 was filled with floor debate as both chambers voted on bills that passed committee during the first funnel. All Iowa Chamber Alliance priorities survived the first funnel while bills ICA opposed, such as eliminating tenure, RFRA, and the “bathroom bill” are dead. This week, in addition to visiting Mason City on Friday, Governor Reynolds signed a number of bills into law.

Childcare

No change from last week. However, Gov. Reynolds did appoint Emily Schmitt, General Counsel at Chamber member Sukup Manufacturing to chair a statewide Childcare Task Force. Their findings and recommendations will likely guide the state legislature and administrative rules makers on implementing childcare legislation.

As a review, the following bills passed the House.

HF 230 – Increases the income threshold for a Child Care Tax Credit from \$45,000 to \$90,000.

HF 370 – Creates an incentive for employers to provide childcare for their employees by providing a tax credit up to \$150,000.

HF 260 – Increases, from five children to six children, the maximum allowed for individuals providing childcare in their homes.

HF 292 – Raises Iowa's childcare rates to the 50th percentile according to the Market Rate Survey.

HF 302– Creates an "off-ramp" from the Child Care Assistance program so parents can continue to grow in their career without entirely losing their childcare assistance all at once.

HF 301 – Creates a fund to provide childcare workforce grants on a dollar-for-dollar matching basis from communities. These programs will help move childcare providers up the pay scale and the education pathway

HF 712—Creates a childcare incentive for developers to construct more childcare centers.

While the Senate passed several childcare bills out of committee, they are primarily working on the House bills described above.

Broadband

Both HSB 133 and SF 390 survived the first funnel and are eligible for floor debate. Currently, interested parties are discussing the funding levels and necessary speeds related to the bill's proposed grants. Iowa Economic Development Authority Director, Debi Durham and the Iowa Chamber Alliance continue to push for 100 upload/100 download speeds for a successful Manufacturing 4.0 initiative.

This week, HF 796 was referred to the Appropriations Committee where it passed with a 4-0 vote.

Housing

No change this week.

Two companion bills, SF295 and HF582 will increase workforce housing tax credits, establish a housing tax credit program, expand redevelopment tax credits, create disaster recovery housing assistance, support main street revitalization efforts, and support the state housing trust fund. We fully support this effort as these bills address the workforce housing tax credit backlog and extend the sunset for the brownfield/grayfield program. These bills passed through committee and have been referred to the respective Ways and Means committees for further consideration.

Tax Increment Finance

No change from previous weeks, but this is legislation we are watching CLOSELY.

HSB194 was filed by House Ways and Means Chairman Hein using language from bills filed in previous session to impact TIF districts that do not have a statutory sunset. This new ratcheting up of the base would impact both slum & blight districts as well as economic development districts formed prior to 1995. This bill moved out of subcommittee and is now in the Ways and Means Committee. While legislators committed to fixing some mechanical issues in this bill, the new sunset requirement would have significant impact to multiple communities across the state, including Mason City and Clear Lake and we OPPOSE it.

Port Authorities

HF812 passed the full Economic Growth Committee before the funnel and moved through a House Ways & Means Committee last week. This bill helps delineate liability and creates flexibility to jointly fund projects with no additional taxing authority. This helps to expand Iowa Code Chapter 28J beyond traditional port authority uses for commerce by allowing utilization for commerce, quality of life, and economic development projects.

Paycheck Protection Program

No change from the past two weeks: the House and Senate both have bills that would provide businesses with additional pandemic relief by excluding COVID-19 grants from individual and corporate income taxes. Any relief granted by the Iowa Economic Development Authority, Iowa Finance Authority, or Department of Agriculture issued to aid individuals or businesses economically impacted by the pandemic is included in the exemption. The bill also conforms Iowa and federal law regarding the treatment of forgiven paycheck protection loans, excluding the amount received from net income and allowing for certain deductions for businesses expenses paid using the funds. SSB 1198 was assigned to a Ways and Means subcommittee. HSB 195 passed subcommittee and will need to pass out of the Ways and Means Committee before seeing a full floor vote.

Medical Malpractice Limits

HF 592 and SF 557 each moved through the funnel and are eligible for floor debate. This bill would cap non-economic damages in medical malpractice cases.



Gov. Reynolds and Mayor Bill Schickel survey Willow Creek.

Governor Kim Reynolds and Lt. Governor Adam Gregg met with city leaders on Friday, March 12 to learn more about Mason City's Willow Creek Master Plan. The project received an Iowa Great Places grant for implementing the first phase of the project.

The governor's 2021 Legislative Agenda stresses the importance of workforce housing and childcare improvements as the foundation of a robust workforce attraction and retention program. According to Gov. Reynolds, "placemaking" efforts will be an important next step.