

March 10, 2023 – Week 9

This week at the Capitol was noticeably quieter, with the Legislature focusing on floor debate. Several bills were passed in the Senate and sent to the House, as well as few to the Governor for her consideration. The legislature's main focus this week was passing legislation prohibiting gender affirming treatments for minors. Also, the Governor's state government reorganization bill passed the Senate this week as well. The 1,500-page proposal trims Iowa's 37 agencies down to 16, for a projected cost saving of \$215 million over the next four years. The Legislative Services Agency released their [fiscal note](#) and it gives a good breakdown of the expected organizational changes and fiscal impacts, including a summary table. On the House side, the bill has been approved by committee and is eligible for floor debate.

In housing, the land redevelopment legislation moved forward in the House Ways and Means committee and is eligible to be taken up by the House. Th

The Revenue Estimating Conference meets today to give its revenue forecast for the state. Following the REC's report and after the Governor's reorganization bill is passed, we expect the pace to pick up at the statehouse and budget work to begin in earnest then.

*Key Legislation:*

**HF506:** Rep. Bossman introduced legislation last week to increase funding to the Workforce Housing Tax Credit program. The measure increases funding from \$35 to \$50 million with a set aside for small cities. The set aside currently reserves \$17 million; this bill would increase it to \$25 million. The bill is assigned to Ways and Means. **Support.**

**HF141/SF280:** The legislation increases the property tax exemption for veterans. It increases the exemption to the assessed property value from \$1,852 to \$4,000. The exemption has not been increased since 1974 and the Legislative Services Agency estimates that veterans will receive average relief of \$100-\$150 annually. The House bill is now in Ways and Means and a [fiscal note](#) was been published. The Senate bill has a subcommittee assigned in Ways and Means. **Support.**

**SF174:** The bill prohibits cities or counties from adopting rules, ordinances, code or other regulations that are more restrictive building standards than national code. The Senate Local Government committee passed the bill out of committee and is eligible for consideration by the Senate. **Undecided.**

**SF15:** This legislation appropriates an additional \$500,000 to the military homeownership down payment assistance program. The Veterans Affairs committee passed it this week and it has been assigned to the Appropriations committee and a subcommittee has been assigned. Further action will be later in the session, as it is now funnel proof in the Appropriations committee. **Support.**

**HF1:** The House released its first draft of its property tax reform legislation. Division 1 impacts the school aid formula, shifting 50 cents of the \$5.40 school aid foundation levy to state aid. Division 2 limits future assessments of “actual value” on individual parcels to 103% of the previous assessment year (3% cap on increase). Division 3 relates to bonding requirements and public noticing. A Ways and Means subcommittee discussed the bill on February 6. **Undecided.**

**HF111/SF150:** This legislation exempts transfers to beneficiaries of a trust from paying the real estate transfer tax. The bill essentially codifies what is current practice and is not expected to impact funding to the housing trust funds. HF111 passed the House unanimously and the Senate Ways and Means subcommittee moved it forward to be considered by the Ways and Means committee. **Undecided.**

**SF182:** The bill is a “re-brand” of the land banks bill that has been introduced in recent years by Senator Mark Lofgren. While the new name, land redevelopment trusts bill, has caused some confusion among housing advocates, the legislation is the same as previous years and establishes a land bank, not a trust. There is more discussion and attention to this bill than in recent years and the team is encouraged. **Support.**

**HSB124:** This is the companion bill to SF182 (above). The House Ways and Means committee approved the bill on Thursday this week, and it moves forward for potential consideration by the full House. **Support.**

**HF 163:** This bill expands the disabled veteran homestead tax credit. The Veterans Affairs committee passed it and the Ways & Means subcommittee discussed on Monday, February 27 and will move it forward. A fiscal note can be found [here](#). **Support.**

**SF479** (formerly **SF334**): This legislation repeals the energy conservation requirements for new construction. The Senate State Government committee approved the bill this week and it is eligible for consideration by the Senate. There is not a House companion bill currently. **Undecided.**

**SF356** (formerly **SSB1124**): Passed the Senate Ways and Means Committee last week. The bill makes several changes to Iowa's property tax system. It lowers the threshold to trigger voter approval requirements for lease-purchases to a level comparable to essential county purpose

# advocacy updates



bonds. The bill modifies the city levy rate based on the growth of assessed value compared to previous years, and limits the use of emergency levies to natural disasters. **Monitoring.**

**SSB1125:** Increases the state retail sales and use tax rate from 6% to 7% and eliminates the local option sales and services tax. The bill then transfers a portion of retail sales tax revenues to cities. Creates a supplement fund for cities, to be funded by a portion of use tax receipts, to offset revenue reductions compared to a baseline year for affected jurisdictions. The supplement fund expires in 2043. Converts the Homestead Tax Credit and Veterans Property Tax Credit into exemptions. Increases eligibility for the Senior and Disabled Person Tax Credit. **Monitoring.**

**SF76/HF436:** Creates a neighborhood revitalization program. Both bills are individual sponsored by minority members, so highly unlikely to see action this session. **Monitoring.**

## **Key Dates:**

**March 31:** Second Funnel Deadline

**April 28:** 110<sup>th</sup> Calendar Day of Session (*per diem* expenses end per Iowa Code)

## **For more information, please contact:**

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