

The logo for the Iowa Chamber Alliance features a stylized 'I' on the left containing the letters 'C' and 'A'. To the right of the 'I' is the word 'Iowa' in a large, dark blue serif font. Below 'Iowa' is the phrase 'Chamber Alliance' in a smaller, gold-colored sans-serif font.

# Iowa Chamber Alliance

A unified voice for economic growth

## *Legislative Newsletter*

*June, 2021*

### 2021 Legislative Session Summary

The First Session of Iowa's 89th General Assembly adjourned Wednesday, May 19, 2021. Following the 2020 election cycle, Republicans maintained control in both chambers. House Republicans picked up 6 seats to hold a 59-41 majority, with Senate Republicans maintaining a 32-18 majority. Following Congresswoman Mariannette Miller-Meeke's election win in the 2nd district, Senator Adrian Dickey won the special election for Senate District 41. While there were no significant leadership changes in the House, Senator Jake Chapman was elected as the new Senate President, and Senator Zach Wahls was elected to serve as the new Minority Leader.

During the Condition of the State, Governor Reynolds introduced a broad agenda for the upcoming legislative session. Expanding and investing in broadband infrastructure were both key priorities for the Governor and legislators. House File 848 successfully passed the legislature and was signed into law in April, creating a broadband grant program with a \$100 million investment. In addition to broadband, Governor Reynolds encouraged the legislature to address childcare needs, police reform, mental health, and affordable housing.

Despite the unprecedented circumstances this year brought, many ICA's priorities relating to **Recovery and Resiliency, Talent, Economic Development, Business Climate, and Infrastructure** passed.

#### **Recovery and Resiliency**

The combined effects COVID-19 pandemic and derecho in August could have had a devastating impact on Iowa's budget. Ending the fiscal year with a surplus of \$305 million confirmed Iowa's fiscal soundness and ability to weather unexpected trials. The Iowa Chamber Alliance encouraged the Legislature and Governor to pass policies that would continue to ensure Iowa's recovery and future resiliency. Efforts to support Iowa's small businesses that passed the legislature included relief at the state level for those who received Paycheck Protection Program funds, grants and forgivable loans for disaster housing relief, and the creation of a Downtown Loan Guarantee Program that will aid in the reopening of downtown businesses. ICA Executive Director and lobbyist Dustin Miller worked closely with the Iowa Economic Development Authority to ensure the passage of a Manufacturing 4.0 initiative. The language was ultimately included in the tax reform bill and will help businesses adapt to new technologies and incentivize growth.

*Summary Continued...*

**Talent**

Iowa's workforce shortage has seen a significant recovery in recent months but continues to be a considerable concern. ICA pushed for the legislature to pass holistic policies that address the problem from all angles. During the Governor's Condition of the State address, she highlighted the need for childcare reform. The House and Senate passed several childcare initiatives that will help incentivize businesses to offer childcare solutions, increase the number of childcare providers in the state, and address the childcare cliff effect. Another priority for ICA was finding solutions to retaining young professionals. HF 891 addresses the need for medical liability insurance reform by creating a reimbursement program for resident physicians' medical liability costs.

**Economic Development**

Housing continues to be an increasing need in every community. This year, ICA worked with Governor Reynolds, the legislature, and Director Durham to ensure the passage of a holistic housing package included in the final tax bill. The legislation addressed the workforce housing tax credit backlog, extends redevelopment tax credits, and raises the cap on the Housing Trust Fund. In addition, ICA successfully stopped a bill from passing that would set sunsets on perpetual TIF districts and limited all future TIF districts to 20 years. Finally, the sunset for the Brownfields/Grayfields Development Tax credits was extended another ten years.

**Business Climate**

The legislature ended the 2021 legislative session by passing a wide-ranging tax reform policy. The bill includes removing the 2018 tax reform triggers, providing COVID-19 relief to businesses, and eliminating the inheritance tax. The largest portion of the bill consists of transitioning mental health funding to the state by phasing out the backfill. In doing so, mental health funding will receive an additional \$25 million. In addition to tax reform, the legislature also passed a vaccine passport bill, similar to what other states have passed. This legislation prohibits businesses and local governments from requiring proof of vaccination.

**Infrastructure**

The COVID-19 pandemic highlighted the increasing importance of broadband connectivity. ICA supported the now signed bill that creates a tiered grant program for broadband infrastructure. The program received a \$100 million appropriation for FY22. Additionally, ICA was instrumental in ensuring the passage of HF 523, a bill to amend the definition of essential county purpose to include flood mitigation efforts.

## Member Spotlight: Council Bluffs Area Chamber of Commerce

A strong pipeline of economic development projects, mostly in the warehouse/distribution, transportation/logistics, and tech sector continue to fuel growth of the local tax base, and placemaking and public improvement projects continue to make a positive impact throughout the community.

The First Avenue Corridor project is one that is especially unique and can be transformational on a multigenerational level. The project will transform a former railroad corridor stretching from Interstate-29 to Downtown Council Bluffs to the east. It presents an opportunity to connect Downtown Council Bluffs and Downtown Omaha in a manner that has never been done before.

In addition to vehicular and pedestrian transportation improvements, the project will provide multiple opportunities for mixed-use and multi-family residential redevelopment. Its impact as a community amenity, as well as a driver for additional tax revenue makes it a critically important project for the City of Council Bluffs and many partner organizations steering the project forward.

The River's Edge project is another transformational project for Council Bluffs, except it is occurring on the riverfront in unison with Omaha's planned riverfront improvements. The project will include an observation tower that will include an adventure course, outdoor rock-climbing wall, and a roller glide, a dual course for roller gliding/ziplining. It will also include an elevated treetop walk. These will all be at least the height of the levy, which will help make the project floodproof. The final piece of the project will be a pier extending from the levee to the Missouri River. In total, the project is expected to cost more than \$45 million. It is being funded entirely by private donations, with the Iowa West Foundation providing the lead gift of \$15 million.

Finally, the community continues to expand Blink, which is a free and open Wi-Fi network that boosts connectivity in low-to-moderate income areas throughout Council Bluffs. It also serves all Council Bluffs Community School District buildings and many outdoor spaces throughout the community. The scale and success of the system is noted nationally and is made possible through an array of partners. These partners include the City of Council Bluffs, the Council Bluffs Community School District, Google, Iowa West Foundation, Charles E. Lakin Foundation, the Council Bluffs Area Chamber of Commerce, Iowa Western Television, Mid-American Energy, SmartWAVE Technologies, UNITE Private Networks, Bluffs Electric, the City of Carter Lake, and Omaha Public Power District, making it a perfect example of an effective public-private partnership.

In closing, there are many great things happening in Council Bluffs. With many new leaders in high profile positions throughout the community, we are making progress very quickly and are excited to see what the future holds.

**FY2022 Approved Budgets**

**Administration and Regulation**

[House File 867](#)

General Fund: \$149,693,168  
 Increase of \$74,581,632  
 Other Funds: \$58,435,338  
 Increase of \$144,999  
 FTE's: 1,157.69  
 Decrease of 15.30

**Agriculture and Natural Resources**

[House File 860](#)

General Fund: \$48,808,995  
 Increase of \$5,624,990  
 Other Funds: \$92,834,867  
 Increase of \$18  
 FTE's: 1,591.95  
 Increase of 182.76

**Economic Development**

[House File 871](#)

General Fund: \$47,998,126  
 Increase of \$6,423,594  
 Other Funds: \$29,816,084  
 Increase of \$1,750,000  
 FTE's: 556.68  
 Increase of 2.39

**Education**

[House File 868](#)

General Fund: \$972,357,588  
 Increase of \$26,431,888  
 Other Funds: \$40,300,000  
 No Change  
 FTE's: 11,776.74  
 Decrease of 46.39

**Health and Human Services**

[House File 891](#)

General Fund: \$2,047,813,669  
 Increase of \$59,370,842  
 Other Funds: \$424,540,269  
 Decrease of \$14,460,258  
 FTE's: 4,568.30  
 Increase of 157.73

**Infrastructure**

[House File 862](#)

Rebuild Iowa Infrastructure Fund:  
 \$92,444,191  
 Technology Reinvestment Fund:  
 \$14,671,932  
 Sports Wagering Receipts Fund:  
 \$1,500,000

**Judicial Branch**

[House File 864](#)

General Fund: \$193,240,252  
 Increase of \$9,116,515  
 Other Funds: None  
 FTE's: 1,800.14  
 Increase of 33.60

**Justice Systems**

[House File 861](#)

General Fund: \$620,314,992  
 Increase of \$35,238,809  
 Other Funds: \$17,899,319  
 Decrease of \$600,000  
 FTE's: 5,464.96  
 Increase of 66.24

**Transportation**

[Senate File 592](#)

Road Use Tax Fund: \$53,810,521  
 Increase of \$711,894  
 Primary Road Fund: \$343,953,106  
 Decrease of \$3,654,222  
 FTE's: 2,748  
 Increase of 9.0

**Key Points:**

- Admin and Reg. budget includes a \$100 million appropriation for broadband connectivity.
- HHS budget includes medical liability insurance relief for residency physician programs.
- Education budget includes an increase in funding for the Last Dollar Scholarship Program.

