

Legislative Update

The 2018 Iowa Legislative Session

Week of February 12, 2018

Last week in the Iowa Legislature

This year's funnel week didn't disappoint. Subcommittee and committee meetings dominated the agenda through Wednesday, as policy committees often met late into the evening to discuss, debate and vote on bills. Mornings were jammed with subcommittee meetings, with many occurring simultaneously with each other. The funnel week alone saw over 200 bills passed through committee, which far exceeds the usual pace. Some notable bills failed to advance, however, like a prominent school choice bill and a piece of pro-gun legislation that faltered in the wake of the Florida school shooting. Many GOP priority bills remain alive—for now, at least.

Tax Reform Bill Released

Governor Reynolds finally released her tax bill Wednesday, incarnated as HSB 671 / SSB 3195. It's an enormous, 85-page piece of legislation that legislators and lobbyists are beginning to wade through. As the governor promised, the legislation eliminates Iowa's federal deductibility while reducing individual income tax rates. It also applies sales tax to a wider swath of online transactions like, for example, Netflix subscriptions. The governor's office said the bill will cut income taxes by \$1.7 billion between 2019 and 2023, but the state's revenue will stay on par with current projections as new revenue sources—like a broader base for sales tax—send dollars into the general fund. Tax credits are not addressed in the bill. Both the House and Senate Republicans welcomed the plan but pledged to use it as a baseline to develop further policy ideas on tax reform. With this long-awaited bill finally unveiled, expect it to consume a lot of legislative bandwidth.

Retirements

A lot of legislators—including many prominent ones—are retiring after this session. The deadline to file nomination papers with the Secretary of State's office is in March, which is when we'll have a full picture of 2018 retirements. Ahead of that deadline, however, the legislators that have announced their retirement are:

Rep. Guy Vander Linden (R)—House Ways & Means Chair
Rep. Dave Heaton (R)—House HHS Budget Subcommittee Chair
Rep. Ken Rizer (R)—House State Government Committee Chair
Rep. Clel Baudler (R)—House Public Safety Committee Chair
Rep. Ralph Watts (R)
Rep. Chuck Holz (R)

Rep. Rob Taylor (R)
Rep. Todd Taylor (D)—running for Sen. Wally Horn’s Senate seat
Rep. Jerry Kearns (D)
Rep. Hellen Miller (D)
Rep. Abby Finkenauer (D)—running for Congress in Iowa’s First District
Sen. Matt McCoy (D)
Sen. Wally Horn (D)
Sen. Bob Dvorsky (D)

The filing deadline is March 16, and many other legislators are rumored to be contemplating retirement. Expect more names on this list in about one month.

Looking Ahead

The House and Senate Republicans still haven’t agreed to the finer details on K-12 spending or the FY 18 deappropriation. And the inability to find consensus has created some visible contention between the two majority caucuses. The funnel week’s chaos made floor debate on those two bills impossible, but this week should present a clear calendar to negotiate conforming amendments to those bills and send them to the governor. But if the discord continues, nobody will be surprised.

With funnel week behind them, legislators’ focus will turn to floor debate. And with the next funnel deadline only a month away, the House and Senate are poised to debate and pass a slew of bills over the next few weeks. Some will be controversial, but most will be pedestrian.

Despite a whirlwind of bills passed in the session’s first six weeks, the biggest issues remain those we started with back on January 8: FY 2018 cuts, school aid, tax reform and the FY 2019 budget.

Key Initiatives

The Senate State Government Committee passed SSB 3107 (911) without amendment and with a 15-0 vote. The bill now goes to the Appropriations Committee in both the Senate and the House, where it passed the Public Safety unanimously earlier. Unlike previous years, this bill appears to be on the fast track for final passage.

Senator Dan Dawson spoke with the AS team last week and said he would stop pursuing passage of his IPERS bill (SF 2073) and instead meet with IPERS officials about getting the process started to study adding dispatchers to the protected status classification and implementing a DROP program. The House bill we had introduced did not make the funnel deadline.

Bills of Interest

Like sessions past, Advocacy Strategies will be tracking all bills pertaining to you. Along with this document, please find an attached excel spreadsheet with the bills you have registered for or we are waiting for a declaration. Please review this and confirm your declarations are correct. Please let us know if there are any changes that need to be made. **Please note, this week’s document DOES NOT reflect the funneled bills.** We will provide a comprehensive update to

this document with a report on all the bills eligible for debate following the first funnel deadline next week.

Housekeeping

Our ability to best represent you is based on quick and open communication. Once the legislative session progresses further, our requests for bill declarations will increase substantially. **We would ask that you let us know your organization's position on each bill within 24 hours of our notification to you so we can respond accordingly.** Each bill we send your organization automatically generates a registration of "undecided" on that bill. This allows us to lobby on the bill or to attend a subcommittee on your behalf. But whatever your organization's stance may be, please communicate it to us (even if the stance is "undecided") so we can register properly and most effectively represent your interests.

Dates to Note

- March 16: Second funnel deadline (10th week)
- April 17th: 100th calendar day of the session; legislators' per diem expires.

Please feel free to contact the Advocacy Strategies Team with any questions, comments, or concerns. We are pleased to be representing your interests during the 2018 legislative session and throughout the year. Contact information for your lobbying team follows. We look forward to a successful session and working with you in the days ahead.

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