




# IOWANS FOR TAX RELIEF

— VOICE OF THE TAXPAYER —

## 2022 LEGISLATIVE ISSUE GUIDE



***IF GIVEN A GREAT OPPORTUNITY, TAKE IT.***



Over the past two years, in the face of the global pandemic, the people of Iowa and our state's economy have been incredibly resilient. This strength has been coupled with Iowa policymakers continuing to keep our economy open, conservatively managing the state budget, and enacting lower tax rates. This all works together to present Iowa lawmakers with tremendous opportunities heading into the 2022 legislative session.

Iowa legislators have the opportunity to significantly reduce the amount Iowans pay in income taxes. Right now, we pay far more in income taxes than the state needs to operate. It is time to end this overcollection of taxes through permanent income tax rate cuts. Legislators have been presented with the chance to deliver the largest income tax cuts in Iowa's history.

Iowans also deserve to know more about what is going on with their local governments. They should be informed of when local governments intend to raise property taxes, and they ought to know how and when those property tax dollars are being spent on lobbyists at the Capitol. Iowa legislators should seize the opportunity to deliver these property tax reforms to Iowans across the state.

Another opportunity facing legislators this year is the chance to further improve our state's economy by helping get more Iowans back to work. We need to get government out of the way and remove disincentives to reenter the workforce. We need to lift unnecessary restrictions on professional workers and small businesses. Governor Reynolds has done a great job keeping Iowa open for business, and there are many opportunities for legislators to assist in keeping our economy moving forward.

ITR is the voice of the Iowa taxpayer, and we will continue to seize every opportunity to fight for a better and brighter future for Iowa. If you have any questions about any of the information in this guide, please contact us at [itr@taxrelief.org](mailto:itr@taxrelief.org).

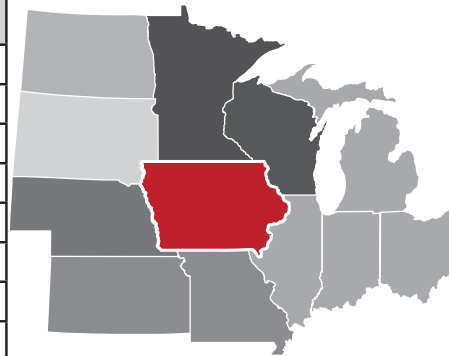
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# IOWA STILL HAS HIGH INCOME TAX RATES

| Top State Individual Income Tax Rate |               |
|--------------------------------------|---------------|
| South Dakota                         | No Income Tax |
| North Dakota                         | 2.90%         |
| Indiana                              | 3.23%         |
| Ohio                                 | 3.99%         |
| Michigan                             | 4.25%         |
| Illinois                             | 4.95%         |
| Missouri                             | 5.30%         |
| Kansas                               | 5.50%         |
| <b>Iowa</b>                          | <b>6.50%</b>  |
| Nebraska                             | 6.84%         |
| Wisconsin                            | 7.65%         |
| Minnesota                            | 9.85%         |



**2023 Rate**

| Top State Corporate Income Tax Rate |                          |
|-------------------------------------|--------------------------|
| South Dakota                        | No Income Tax            |
| Ohio                                | 0.26% Gross Receipts Tax |
| North Dakota                        | 4.31%                    |
| Michigan                            | 6.00%                    |
| Indiana                             | 6.25%                    |
| Missouri                            | 6.25%                    |
| Kansas                              | 7.00%                    |
| Nebraska                            | 7.25%                    |
| Wisconsin                           | 7.90%                    |
| Illinois                            | 9.50%                    |
| Minnesota                           | 9.80%                    |
| <b>Iowa</b>                         | <b>9.80%</b>             |

Years of conservative budgeting practices and an economy that remained open and productive have put Iowa in an enviable position. The state's coffers aren't just full; they're bursting at the seams. Consider the following:

- **The Cash Reserve Fund and the Economic Emergency Fund are above their maximum balance.**
- **The Taxpayer Relief Fund has a current balance over \$1 billion, with hundreds of millions more dollars projected to flow in when the books close on Fiscal Year 2022.**
- **2021's General Fund finished the year with a surplus of \$1.24 billion.**
- **2022's General Fund is projected to finish next year with a surplus approaching \$1 billion. We are on a path for the State of Iowa to hold over \$2 billion dollars of excess taxpayer money at the end of the current fiscal year.**

These fiscal years don't appear to be anomalies, either. Looking further ahead, Iowa's Revenue Estimating Conference is projecting more revenue growth in Fiscal Year 2023, even with the 2023 tax rate cuts beginning to go into full effect. If the Iowa Legislature continues to fund the priorities of government while maintaining their responsibility to the taxpayer, the balance of the Taxpayer Relief Fund will keep growing. **There is an ongoing structural imbalance between what government collects from the taxpayers and what government needs to operate.** It is unconscionable for state government to expect Iowans to keep paying high tax rates only to watch these surplus accounts balloon.

It's time to cut our income tax rates and let Iowans hold onto more of their own money, instead of having the state stockpile what will soon become billions of Iowans' over-collected tax dollars.

**IT'S TIME TO END THE MASSIVE OVERCOLLECTION OF IOWANS' MONEY AND CUT OUR RATES.**

Think of it this way, if Iowa's surplus revenue for Fiscal Year 2021 were put in one-dollar bills, they would weigh more than an African elephant, the heaviest land animal on earth. If you laid those same dollar bills end to end, they would cover enough distance to wrap around earth's equator nearly five times. Iowa's economy is the strongest it has ever been, and with the fastest economic recovery from the 2020 pandemic in the country, it is time to reward hardworking Iowans with a substantial income tax cut that ends what has become a consistent overcollection of their hard-earned money.

According to the Tax Foundation, Iowa comes in 38<sup>th</sup> out of 50 for individual income tax competitiveness nationally. Iowa's income tax rates remain high in comparison to the rest of the country. While the goal of eliminating our state's income tax to match neighboring South Dakota is a worthy endeavor, incremental progress toward that goal would go a long way to furthering Iowa's future success.

The tax reform passed in 2018 has seen rate cuts phased into our tax code for the past several years. Not only has Iowa been in a position to fully absorb those cuts, but Iowa's revenue is still projected to grow even as the full slate of reductions go into effect. Lawmakers have helped ensure that Iowa's government does not grow faster than Iowans' income. Now they must deliver the spoils of that effort to Iowa's taxpayers. Iowa's House and Senate should work to make the largest tax cut in Iowa history look small by passing permanent and substantial rate reductions in 2022.

**It's time to end the massive overcollection of Iowans' money and cut our rates. Anything less than a major tax cut is a slap in the face to every Iowa taxpayer.**

## **IN ONE DOLLAR BILLS, IOWA'S BUDGET SURPLUS WOULD:**



## **WEIGH MORE THAN AN ELEPHANT**



## **WRAP AROUND THE EARTH FIVE TIMES**

# TRUTH IN TAXATION 2.0



## YOU'VE GOT MAIL

People are often upset by their property taxes when they receive their annual bill, but there is nothing they can do at that point. By the time the bill shows up in an Iowan's mailbox, the local budgets and levy rates that are fueling that growing property tax burden have already been decided.

### **THE IOWA LEGISLATURE MADE A GREAT FIRST STEP TO ADDRESS SKYROCKETING PROPERTY TAXES IN 2019**

The Iowa Legislature made a great first step in 2019 to address skyrocketing property taxes with the passage of Senate File 634, "Truth in Taxation." That legislation created an additional public notice and hearing if a proposed city or county budget was going to grow more than 2 percent over the previous year. Unfortunately, local newspaper circulation is dwindling and few taxpayers actively check their local governments' websites to find the required notices. Only a small number of taxpayers have realized that these hearings are occurring and even fewer have participated in them. Further, the 2 percent growth cap does not factor in the

full budget picture, nor does it exclude new growth from the 2 percent calculation, making it difficult for taxpayers who do engage their local governments to get straight answers about real year-over-year budget growth.

The 2019 Truth in Taxation legislation was intended to close the honesty gap between local elected officials and the citizens they represent. When confronting local elected officials about their growing property tax bills, taxpayers are often told by their local elected officials that they did not raise their property taxes because the levy rate did not increase. If assessments are growing and levy rates remain constant, or even reduced slightly, the truth of the matter is that a vote to keep the levy rate the same is a vote to raise taxes. This ongoing problem, despite the 2019 legislation, requires a more robust action from the legislature to close the honesty gap.

### **AUTOMATICALLY RESET LEVY RATES DOWN WHEN ASSESSMENTS INCREASE, FORCING LOCAL ELECTED OFFICIALS TO VOTE TO INCREASE LEVY RATES**

The Iowa Legislature needs to address this by automatically resetting levy rates down when assessments increase, forcing local elected officials to vote to increase levy rates. The previous legislation did not provide this level of transparency for citizens. **Most importantly, citizens need to be directly notified when property tax increases are being considered.** This could be accomplished by a simple postcard mailed to property owners.

It is time to improve Iowa's 2019 Truth in Taxation legislation by resetting levy rates to close the honesty gap and empowering local property owners with direct notification of public hearings on local budget increases and how those increases affect them, so they can make their voices heard.

Further, the 2019 Truth in Taxation legislation excluded school districts. While the school funding formula complicates this issue, many property owners pay more property taxes to their local school district than any other local taxing authority. Any conversations about improvements to the 2019 Truth in Taxation legislation should include school districts. School board members should be held accountable by their electorate in the same manner that city councilors and county supervisors are held accountable. The state should require direct notices to property taxpayers from school districts intending to raise property taxes, so local taxpayers can be made aware of the intention, as well as require school boards to send information to local taxpayers about when and where a public hearing on the proposed tax increase will take place, so they may participate.

*The image below is a sample letter of property tax increase and public hearing direct notification.*

Anytown School District  
123 Freedom St.  
Anytown, IA 54321  
515-555-5555

**OFFICIAL NOTICE OF 2021 PROPERTY TAX INCREASE**

Doe, James and Mary  
1234 1st St  
Anytown, IA 54321

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**NOTICE OF PROPOSED TAX INCREASE**  
Anytown School District

Anytown School District is proposing a tax increase for 2021 calendar year. This notice contains estimates of the tax on your property and the proposed tax increase on your property as a result of the tax increase. These estimates are calculated on the basis of 2020 calendar year data. The actual tax on your property and proposed tax increase on your property may vary from this estimate.

|                             |               |                       |               |                              |                         |
|-----------------------------|---------------|-----------------------|---------------|------------------------------|-------------------------|
| Parcel Number<br>1234567890 |               |                       |               |                              |                         |
| Market Value                | Taxable Value | Current Year Tax Rate | Tax This Year | Estimated Next Year Tax Rate | Estimated Tax next Year |
| \$250,000                   | \$137,685     | 10.14401              | \$1389.72     | 10.65121                     | \$1459.21               |

PUBLIC HEARING: Anytown School Administration Building  
123 Freedom St.  
Anytown, IA 54321

Thursday, December 2, 2021  
6:00 p.m.

**This meeting will be held as an electronic public hearing. Information to participate is available at [anytownschools.org](http://anytownschools.org) or call the board office at 515-555-5555. For more information regarding this tax increase see [anytownschools.org](http://anytownschools.org).**



# TAXPAYER-FUNDED LOBBYIST TRANSPARENCY

## Lobbyists contracted by local governments are not subject to open records laws.

Did you know your property tax dollars are used to lobby legislators? Not only this, but you may never know exactly what taxpayer-funded lobbyists are promoting. Holding local elected officials accountable for the efforts of their lobbyist is difficult, particularly when they work with legislators behind the scenes.

### Who Hires Taxpayer-Funded Contract Lobbyists?

- **Cities**
- **Counties**
- **School Districts**
- **Taxpayer Funded Associations**

Many cities, counties, and school districts hire lobbyists. Other lobbyists are hired through associations and organizations like the Iowa League of Cities. Dues for, and training through, these organizations are paid for with your property tax dollars. It's challenging to determine exactly how many property tax dollars are funding lobbying because the communications between local governments and their lobbyists are not transparent.

Lobbyists who are *contracted* by cities and counties are not subject to open records laws. If a city or county hires an employee to lobby, that *employee* would be subject to open records laws, but a contract employee is not. Further, some of the associations funded by tax dollars, like the Iowa League of Cities and the Iowa State Association of Counties, are not subject to open records laws. If your property tax dollars are paying for lobbying activities, you deserve to know exactly how your money is being used.

Lobbyists must declare official positions, and

those are public record; however, much more happens behind the scenes than an official position indicates. There are talks to draft legislation which sometimes go nowhere. There are also internal discussions to decide what lobbyists support or oppose. Citizens deserve to know what local elected officials are using their money to advocate for or against because sometimes, the positions taken by lobbyists representing local governments or associations of local governments take stances that are not in the best interest of the taxpayers.

Some of the most prominent opponents to 2019's property tax transparency bill were local governments and associations of local governments. The 2019 property tax bill last year simply required an affirmative vote and a second public meeting for local governments to increase their budgets above two percent. This measure did not prohibit local governments from raising taxes. Instead, it made the process of raising taxes more transparent for property taxpayers so they would have a better opportunity to voice their opinions on the matter.

### **Sometimes, the positions taken by taxpayer funded lobbyists are not in the best interest of the taxpayers.**

Contract lobbyists paid with taxpayer dollars and associations of local governments hiring lobbyists should be subject to the same open records laws as public employees. The people deserve the opportunity to learn how their money is spent and determine if that use is genuinely in their best interest. Citizens must have transparency to be able to hold their local governments accountable.



# UNIVERSAL EDUCATIONAL SAVINGS ACCOUNTS

Universal education savings accounts (ESAs) provide a free-market solution for parents seeking the best educational opportunities for their children. ESAs provide real school choice for Iowa families and promote the basic right of parents to make the best educational decisions for their own child.

School choice for all Iowa families happens when financial barriers to non-public school options are removed. It is unfair to limit non-public school options to more affluent families, while those who do not have the financial means must rely on the public system. Further, a universal ESA provides a free-market incentive that makes both public and private educational offerings better by introducing alternatives and creating a smaller burden on the public system by delivering another option for children who are not succeeding to their fullest potential within the public system.



If public education is to act as “the great equalizer,” it is imperative that lawmakers act to provide flexibility for parents so that all children may access the best educational opportunities for them. Five states already have ESA policies on the books, and it is time that Iowa join their ranks.

**“Parents should always be encouraged to advocate for their children, especially when it comes to their education...that’s why I’m the first Governor to take the Education Freedom Pledge.”**

**- Governor Kim Reynolds**

# SCHOOL BUDGET TRANSPARENCY

Iowans for Tax Relief supports efforts to make government more transparent. Unfortunately, finding information about how much money our public schools receive and how that money is spent is a much larger challenge for Iowans than it should be.

The Iowa State Legislature should act to require the Iowa Department of Management to create

a searchable database that shows how much revenue each school district takes in and how that money is spent for the most recent budget years. Iowa taxpayers deserve to know how much of their money is going to every school district and how their school boards are using that money so they can hold their elected representation accountable.

# GET IOWA BACK TO WORK



It's time to get Iowans back to work. While Iowa has weathered the economic storm brought upon us by COVID-19 better than any other state in the country, we are still seeing help wanted signs everywhere and businesses reducing hours or shutting down entirely due to the inability to find workers. There are several reforms that the Iowa Legislature could make to reduce workforce strains on businesses and help get Iowans back to work.

## UNEMPLOYMENT REFORM

- 1. REQUIRE A ONE-WEEK WAITING PERIOD BEFORE UNEMPLOYMENT BENEFITS START**
- 2. INDEX UNEMPLOYMENT BENEFITS TO THE CURRENT JOB MARKET**

Iowa should require a 1-week waiting period before unemployment benefits go into effect. This allows a small amount of additional time for Iowa Workforce Development to verify eligibility before checks go into the mail. The vast majority of states in the United States have already enacted a 1-week waiting period, including every state that borders Iowa. This would save roughly \$24 million annually in the unemployment insurance fund, which could result in lower average payroll taxes for employers, helping ease the financial pressures businesses are presently facing.

Further, Iowa should move to a system that indexes unemployment benefits relative to the current job market. Presently, Iowa allows unemployed individuals to collect unemployment benefits for up to 26 weeks (excluding the 39 weeks allowed in the event of a permanent business closure). Given the current job market, that is an excessive amount of time to allow individuals to remain on unemployment. Indexing unemployment would take the current job market into consideration and automatically adjust the maximum benefit period relative to the unemployment rate, reducing the maximum amount of time in periods of low unemployment and increasing the maximum amount of time in periods of high unemployment. This reform could help reduce the amount of time individuals spend on unemployment and help get Iowans back to work faster, addressing our present workforce shortage and reducing stress on the unemployment insurance benefit trust fund.

# OCCUPATIONAL LICENSING REFORM

- 1. IT'S TIME TO CUT THIS RED TAPE TAX**
- 2. ESTABLISH A FULL SUNRISE AND SUNSET REVIEW PROCESS OF ALL IOWA'S OCCUPATIONAL LICENSES**

Excessive and burdensome occupational licensing laws serve as a red tape tax that disproportionately impact Iowa's working class. These laws make it more difficult and expensive for Iowans to earn a living and fill high-demand jobs. Job licensing exists to protect the public, but in many cases, the licensing requirements, or the license itself, do not make sense. It is necessary for lawmakers to consider legislation that establishes a full sunrise and sunset review process of all Iowa's

occupational licenses to make sure that the licenses and licensing requirements currently on the books make sense and truly serve to protect the public—not just provide a bigger barrier for hardworking Iowans.

The Iowa State Legislature and Governor Reynolds took bold efforts to improve Iowa's licensing situation in 2020 by making it easier for skilled workers from other states to move to Iowa and continue working. It is time to take the next step for workers who are already living in Iowa who desire to join a licensed profession. Licensing requirements should be reasonable and designed to ensure the health and safety of consumers, but excessive requirements create an unnecessary, costly burden to entering the workforce. It's time to cut this red tape tax and help get Iowans back to work.

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# HOME-BASED BUSINESS PROTECTIONS

- 1. INCREASE HOME-BASED BUSINESS PROTECTIONS**
- 2. BAR MUNICIPALITIES FROM INCREASING REGULATIONS ON HOME-BASED BUSINESSES BEYOND A REASONABLE LEVEL**

The COVID-19 pandemic has brought unprecedented times, and with it, business models oriented more around the home. With numerous service-oriented jobs lost during the pandemic, many affected workers have met that challenge with ingenuity and opened their own home-based businesses.

Unfortunately, some municipalities have met this entrepreneurial ingenuity with heightened scrutiny, creating additional licensing burdens or excessive and unreasonable zoning hurdles.

To clarify, municipalities should maintain the ability to regulate traffic flow relative to the character of a neighborhood, regulate external housing features in a way that is compatible with residential zoning standards, and even require registration of certain home occupations with the city as a means to protect health and safety if they deem that registration necessary, like occupations with greater occurrences of human trafficking. Blanket prohibitions of professions that do not interfere unreasonably with the character of a neighborhood, traffic control, or the general health and safety of a community should not, however, be subject to enhanced scrutiny or regulation by a municipality.

The Iowa Legislature should act to increase home-based business protections and bar municipalities from increasing regulations on home-based businesses beyond a reasonable level.



## PUBLIC ASSISTANCE PROGRAM INTEGRITY

- 1. REQUIRE AUTOMATED ELIGIBILITY CHECKS TO HELP BETTER SCREEN RECIPIENT ELIGIBILITY IN REAL TIME**
- 2. GIVE IOWA DHS WORKERS THE NECESSARY TOOLS TO MORE EFFICIENTLY PERFORM ELIGIBILITY CHECKS**

Iowa has an ever-growing Medicaid problem. Under the current, federally-declared COVID-19 health emergency, individuals enrolled in Medicaid at any point during the pandemic cannot be removed from the Medicaid rolls, even if they become otherwise ineligible. This has resulted in a significant increase in Medicaid enrollees.

The Center for Medicaid Services has indicated that this rule may be expiring at the end of 2021, though it is unknown at the time of publication of this issue guide whether that may be extended. Regardless, the time of disenrolling ineligible Medicaid recipients will likely be coming soon.

Now is the time to pass legislation requiring automated eligibility checks to help better screen recipient eligibility in real time. Presently, all verification checks at the Iowa Department of Human Services (DHS) are performed manually. This means that workers at DHS are required to contact 10-12 individuals daily to check all recipients annually, not taking into account the current backlog due to the health emergency rules. If DHS were to use the National Accuracy Clearinghouse software, workers would only need to contact individuals flagged by the system. If trends in other states are used as a guide, roughly 15 percent of public assistance recipients would be flagged

for a verification check during standard times of public benefit administration. Further, individuals utilizing public assistance would be required to submit documentation much less frequently, easing the burden on those following the law. To clarify, if an individual is flagged, benefits are NOT automatically terminated; it is simply a prompt to DHS to follow up with the individual because there is a discrepancy in their file.

Per the 2018 Farm Bill, all states were to be using the National Accuracy Clearinghouse software to verify SNAP eligibility by 2021. Rules for this provision, however, are still pending. Unfortunately, Iowa has a history of inaccuracy when it comes to eligibility verification. On July 30, 2019, the U.S. Department of Agriculture (USDA) fined the State of Iowa \$1.79 million due to a high error rate in the disbursement of SNAP benefits. In Fiscal Year 2018, Iowa's SNAP error rate was over 10 percent. This puts Iowa's SNAP overpayment rate at fifth highest in country, fourth if Washington, D.C., is excluded, and Iowa's overall error rate was sixth highest in the country.

With a backlog of eligibility checks on the horizon, it is time to give workers at the Iowa DHS the necessary tools to more efficiently perform eligibility checks. People wrongfully receiving benefits may be choosing not to work or working less because the taxpayer is picking up the tab. To be clear, the intent of this eligibility verification tool is not to remove benefits from anyone who legitimately qualifies for public assistance; rather, the intent is to make sure that tax dollars are funding those who are truly in need in order to take some burden off hardworking taxpayers and encourage those wrongfully receiving benefits to return to the workforce.



# ADDITIONAL ISSUES AND SOLUTIONS



## FEDERAL FUNDS INVENTORY

Roughly half of Iowa's budget consists of money from the federal government. While it may seem like a great idea to accept all of the tax dollars Washington, D.C., will send us, this money often comes with strings attached that can drive up costs for state government. Federal programs can also be eliminated, and when Iowans are used to programs created through federal grants, the state is hesitant to cut them—so legislators continue to fund the programs entirely with state dollars.

Additionally, there is a lack of transparency and understanding regarding maintenance of effort requirements for federal grants. During the

budgeting process, legislators are frequently informed that there is a maintenance of effort agreement for a program, but it is not always clear exactly what that agreement is, leading legislators to mistakenly believe that state funding can never be reduced when this may not be the case. Additional clarity is needed on potential end dates for federal funds as well, so legislators can anticipate the ending of a federal program and aren't surprised when federal money is eliminated. These improvements would help ensure that legislators have the best tools to use your tax dollars as efficiently and effectively as possible.

## REGULATORY REFORM

Legislators should consider methods of reducing state regulations to more reasonable levels to help Iowa grow and prosper, both for businesses and consumers.

Administrative rules serve to supplement law where interpretation is left in question. Some administrative rules are reasonable and necessary, but as the number of rules grows as the scope of government increases, these rules can become overly complex and burdensome. Too many regulations drive up the costs of doing business beyond what is reasonable to protect health and safety, and those costs

hinder economic growth and increase prices for consumers.

Iowa does require legislative review of administrative rules, but as regulations continue to increase, the ability to thoroughly review every rule becomes extremely difficult. According to a 2019 Mercatus Center study, Iowa has 160,000 restrictive terms, such as "must," "shall," and "may not," in state regulations. This is more than every neighboring state except Illinois, which is notorious for being a high regulation state.

### TAX INCREMENT FINANCING (TIF) REFORM

Tax increment financing (TIF) is an economic development tool used by local governments. It can be a great mechanism for addressing blight and encouraging development in an area in a community that may otherwise be unfavorable, particularly when basic infrastructure to build is lacking. Unfortunately, an increasing number of communities are using TIF to incentivize development in desirable areas in order to compete with neighboring communities for new or existing businesses.

When property tax dollars are being used to pit cities against each other, the taxpayer loses, as local governments are subsidizing growth that would have likely occurred organically at the taxpayers' expense. Further, school district's base levies are kept whole when TIF is utilized, meaning that taxpayers statewide are picking up the tab for local TIF usage, including in localities they do not reside nor visit and in localities that have utilized TIF to incentivize a

business to leave the taxpayer's community for their own. This becomes particularly egregious in TIF districts that have no expiration date. When TIF is allowed to exist into perpetuity, taxpayers statewide must pick up an ever-growing portion of the local property tax burden for a given jurisdiction's school districts. In FY21, \$70.2 million from Iowa's General Fund went to local school districts to supplement revenue lost to TIF usage.

Using TIF for the original intent of addressing blighted areas even for economic development in some circumstances is reasonable, but the scope of TIF desperately needs to be addressed. At minimum, the Iowa Legislature should rein in the use of never-ending TIF districts, but improvements above and beyond this should also be considered. Iowans should not be held hostage with their own tax dollars, particularly when those dollars are being used to compete against their own communities.

### NOVEMBER-ONLY BOND ISSUES

Currently, local jurisdictions have three opportunities to hold bond issue elections in odd-numbered years and two opportunities in even-numbered years. These elections may take place in either March or September, and in odd-numbered year Novembers as well.

In 2017, the Iowa Legislature passed legislation that moved school board elections from September to November to improve voter participation. This change was part of historic turnout in local elections last fall. Most Iowa citizens are aware that elections take place in November each year but don't have the same awareness about the many other elections that may occur throughout the year.

For this reason, all bond issue elections should

be placed on November election ballots for consideration of the electorate. Iowa code already recognizes the gravity of bond issue decisions by requiring a sixty percent threshold for passage, rather than a simple majority threshold. To ensure that the greatest possible participation of the electorate occurs, bond issue elections should be held at the most commonly recognized time for elections: the first Tuesday after the first Monday in November. Exception should be made for bond issues that may arise in direct response to a natural disaster or other public emergency.

Bond issue questions are some of the most important and impactful decisions on local taxpayers, and maximizing public input by moving all bond issue questions to the November ballot is the right thing to do.

## OPEN RECORDS REQUEST COSTS

In order for government to be accountable to the people it serves, transparency is imperative. Taxpayers deserve to know exactly how elected officials and their employees are using tax dollars and their power in their public service. The potential for public scrutiny helps encourage public officials and employees to make decisions in the best interests of the public. Further, while most government officials are good actors and well-intentioned, mistakes can and do happen, and those mistakes must come to light so they may be rectified. Regrettably, there are bad actors who do not have the best interests of the public in mind, and it is imperative that they are held accountable. Whether decisions made behind the scenes are legal but potentially unpopular, ethically questionable, or even blatantly illegal, it is important for citizens to have access to open records so that they may hold their government accountable.

Unfortunately, accessing open records has become difficult in some situations. Under the guise of “legal review,” some local government entities are charging exorbitant fees for multiple rounds of legal review, sometimes to the tune of hundreds of dollars per hour of review. While charging to cover the cost of an open records request is reasonable, so as not to shoulder the taxpayer with the cost burden, multiple anecdotes have surfaced, particularly in cases where the information contained within the open records may have proven politically damaging, where local government entities seem to have used inflated legal review fees to block access to public records. The Legislature should consider taking action to prevent local government entities from tacking on excessive fees to ensure that open records truly are open.

## NEEDS TO GO: CERTIFICATE OF NEED

It is time to reform or eliminate Iowa’s outdated certificate of need (CON) law. When Iowa’s CON law was implemented in the 1970s, it was thought that it would reduce healthcare costs by preventing unnecessary medical facility expansions. Unfortunately, the effect that CON laws have in practice is decreased competition in the healthcare field, resulting in higher medical costs and reduced healthcare access.

During the COVID-19 pandemic emergency declaration, Governor Kim Reynolds suspended Iowa’s CON law so that healthcare facilities could quickly and efficiently upgrade facilities to meet growing and changing demands. We witnessed Iowa’s healthcare facilities adapt. We heard the media cry out about disastrous shortages of ICU and hospital beds, yet during the height of the pandemic, medical facilities

were able to continue to care for patients. When the demands grew and changed, with the suspension of this government-mandated healthcare monopoly system Iowa utilizes, the medical community operated under the temporary free market provisions within the emergency declaration.

Forty-five years of CON law has failed to make healthcare in Iowa better or less expensive. Rather, healthcare costs have skyrocketed, thanks in part to limited competition to drive down prices. Further, access to healthcare has decreased, particularly in rural areas, leaving people driving long distances to receive care. It’s time to end this government-mandated monopoly and let the free market address these healthcare problems. It’s time to repeal Iowa’s CON law.

# PRINCIPLES OF SOUND TAX POLICY

The best way to create economic growth is by lowering tax rates and reducing the regulatory burden. This economic blueprint will serve the interests of the taxpayers while creating a better Iowa.

Whether at the Capitol or across the state, we advocate for a real reduction in the tax burden on households and businesses in Iowa. ITR believes taxes in Iowa should be:

## FAIR



Iowa's tax code should be fair and not favor one group of taxpayers at the expense of another.

## PROTECTIVE OF FREEDOM



Iowa's tax code should promote freedom. Taxes should not be used for social engineering.

## TRANSPARENT



Iowa's tax code is too complex. An easier to understand tax structure will be friendlier to taxpayers. Taxpayers in Iowa deserve transparency and accountability when it comes to tax credits and incentives.

## LIMITED



Iowa's tax code should be limited. Taxes should only be collected to finance the essential functions of state government. It is immoral for government to have an unlimited claim to the hard-earned income of individuals and businesses.

## COMPETITIVE



Iowa should have lower tax rates rather than the current high tax rates making the state less competitive with its neighbors. The Iowa tax code should encourage, rather than hinder, economic growth.

A tax code following these principles while reducing the tax burden on Iowans will allow everyone to keep more of their hard-earned dollars. This will encourage economic growth and boost additional investment, ultimately providing more revenue to address the priorities of state government.



**IOWANS FOR TAX RELIEF**

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