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City Administrator Report to Mayor & City Council

June 21, 2013, Edition No. 91

REPORT:

1. MRPSI: Please find attached the MFPSI Board Meeting Agenda for the forthcoming meeting on July 11, 2013. This looks to be a top legislative priority for the Iowa League this coming legislative session, especially as it is a "pension" year.
2. ATE: Attached is the updated and expanded ATE report. This has actual FY 12 and actual FY 13 data through 5-31-13. These numbers do not include final June amounts. Please let us know if you have any comments or suggestions on the new format.
3. Emergency Management: Please see the attached press release from Emergency Management formulated following todays meeting.
4. Landfill (Tour): Per Laura Liegois: On Thursday, July 25, 2013 at 6:00 pm, the Muscatine County Area Solid Waste Management Agency will hold their July meeting at the Muscatine County Landfill. The meeting will start at 6:00 pm. This is a great opportunity for the board members to see the progress we have made in the past year at the landfill. I am inviting all of our agency's city council and county board members to attend this meeting. Several elected officials from different councils have asked to visit the landfill and this would be a great opportunity to see the facility. Please forward this to your elected officials or anyone else that you would like to invite to attend on July 25th. The landfill is located on Hwy 61 N across from the Stockton exit. The sign Western Ave is at our entrance, which is between A-1 Signs and Bison Ridge. If you have any questions in regards to the meeting/ tour, please let me know. You can contact me by e-mail or call 563.263.9689. I look forward to seeing members of our agency's communities at our July meeting.
5. Iowa League: Please see the attached "New laws of interest" publication prepared by the Iowa League. There is a lot of good information related to the recent legislative session.
6. Riverfront & 4th of July: While we will be dealing with river flooding this coming week and during the 4th of July festivities, river estimates continue to change. However, after our meeting today you should expect to see the normal parade route and the fireworks should be unaffected according to the Chamber and J&M Displays. Portions of the riverfront and Mississippi Drive will be closed and viewing areas will depend on river levels. The symphony will be located in First National Bank's parking lot.
7. CIAT/University of Iowa: The University of Iowa and students working with the CIAT on local community projects will be having a kickoff on September 12th. The event is likely to be held at the History and Industry Museum. More details to follow.
8. Blue Zones: Please mark your calendars for September 10th (details forthcoming). The Blue Zones initiative is planning to host a public kickoff event

"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain

at that time.

9. **Housing Insurance:** It has been difficult to locate insurance for the Housing Department's facilities. The total for the current year was \$38,624 under State Farm. State Farm's eventual proposal for FY 14 would have been \$37,788 with a \$30,000 per occurrence deductible at Clark House. Holmes Murphy has found coverage for Clark House and Sunset Park through a different vendor. The Company is called Housing Authority Insurance Group. They are A rated by AM Best and work specifically in this area. We have secured a \$10,000 deductible and the coverage includes earthquake insurance (which we did not previously have). We also elected to add fungus/mold coverage. The total premium is \$43,063.
10. **Bridge Lighting:** MUSCO has been great to work with and we appreciate all they have done to make the Bridge Lighting project a success! Here is an update on the bridge per MUSCO - All bridge repairs have been completed and are ready for the 4th of July. We wound up leaving 8 Version 1 (LiveLED) fixtures on the bridge. These 8 fixtures have been consistent performers over the past year that I have closely monitored and documented fixture status so hopefully they won't give us any troubles. We've also finalized the surge protection both on the AC power side as well as the DMX signal side. While this surge protection won't protect an individual fixture from a direct lightning strike, our experience with the use of this type of equipment on our own product indicates that it will minimize damage from a direct strike to the point that it should only affect a single fixture. We have not yet determined the exact failure mode of the 8 V2 Articulite fixtures, but have confirmed it is related to the DMX board within the fixture. We will continue to investigate and determine our ability to repair them. The bridge controller currently has a program stored that sequences through an all red / all green / all blue color scheme so we could verify fixture operation during the change out. It is ready for a 4th of July themed show.
11. **Fire Department:** The dates for the final inspection and pick up of the new fire engine will be July 25th and 26th. Staff will drive it back to Muscatine and Reliant will do a three day in-service and training on the operations of the fire engine and then the engine will be placed into service at Station 2.

City of Muscatine
Automated Traffic Enforcement System
Summary by Month of Tickets Issued and Ticket Fines Collected by GATSO

Fiscal Year 2011/2012

	Number of Citations Issued		No. of Citations Collected by GATSO by Month *		Fines Collected Net of GATSO's Fee *	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
July, 2011	2,626	2,626	1,669	1,669	85,832.00	\$ 85,832
August	1,996	4,622	1,935	3,604	98,695.00	184,527
September	1,205	5,827	1,440	5,044	75,170.00	259,697
October	1,236	7,063	1,168	6,212	61,054.00	320,751
November	1,011	8,074	905	7,117	46,885.00	367,636
December	997	9,071	752	7,869	39,181.00	406,817
January, 2012	1,131	10,202	1,006	8,875	51,028.00	457,845
February	790	10,992	788	9,663	40,179.00	498,024
March	1,157	12,149	713	10,376	36,559.00	534,583
April	1,331	13,480	915	11,291	46,220.00	580,803
May	1,386	14,866	880	12,171	45,590.00	626,393
June	1,545	16,411	1,338	13,509	68,184.00	694,577
Totals	16,411		13,509		\$ 694,577.00	
					MCA Collection Agency Collections	104,727.27
					Net GATSO Fees on MCA Collections	(15,417.00)
					Total Fiscal Year Revenues	\$ 783,887.27

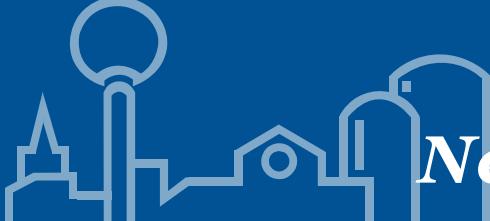
* Reflects dates tickets paid to GATSO. Those funds are forwarded twice per month to the City.

At fiscal year-end special deposits are made as of 6/30 each year which accounts for some of the increase in tickets paid and fines in June.

Fiscal Year 2011/2012 thru May 31, 2013

	Number of Citations Issued		No. of Citations Collected by GATSO by Month *		Fines Collected Net of GATSO's Fee *	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
July, 2012	1,828	1,828	1,240	1,240	\$ 63,400.00	\$ 63,400
August	1,531	3,359	1,227	2,467	63,846.00	127,246
September	1,611	4,970	1,333	3,800	69,769.00	197,015
October	1,224	6,194	1,257	5,057	64,611.00	261,626
November	980	7,174	823	5,880	42,714.00	304,340
December	948	8,122	894	6,774	46,222.00	350,562
January, 2013	815	8,937	717	7,491	36,906.00	387,468
February	661	9,598	534	8,025	28,362.00	415,830
March	904	10,502	636	8,661	32,188.00	448,018
April	722	11,224	639	9,300	33,257.00	481,275
May	1,341	12,565	626	9,926	33,478.00	514,753
June						
Totals	12,565		9,926		\$ 514,753.00	
		(Thru May)		(Thru May)		
					MCA Collection Agency Collections	113,870.52
					Net GATSO Fees on MCA Collections	(25,515.00)
					Total Fiscal Year Revenues	\$ 603,108.52
						(thru May)
					Budget Estimate	700,000.00
					Amount over (under) Budget	\$ (96,891.48)
					Percent of Budget to Date	86.16%

* Reflects dates tickets paid to GATSO. Those funds are forwarded twice per month to the City.



Iowa League of Cities

New Laws of Interest to Cities

June 2013

Reminder:

Unless otherwise noted,
the effective date of the
legislation is July 1, 2013.

The text of each bill is
accessible from the
General Assembly's
Web site:

[https://www.legis.iowa.gov/
Legislation/Find/findLegislation.aspx](https://www.legis.iowa.gov/Legislation/Find/findLegislation.aspx)

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The first session of the 84th General Assembly adjourned *sine die* Thursday, May 23. The Iowa Legislature completed its work in the third week after the official end of session on May 3 and reached agreements on major reforms that included changes in the property tax system. This report covers the legislative highlights and other actions taken on League priorities.

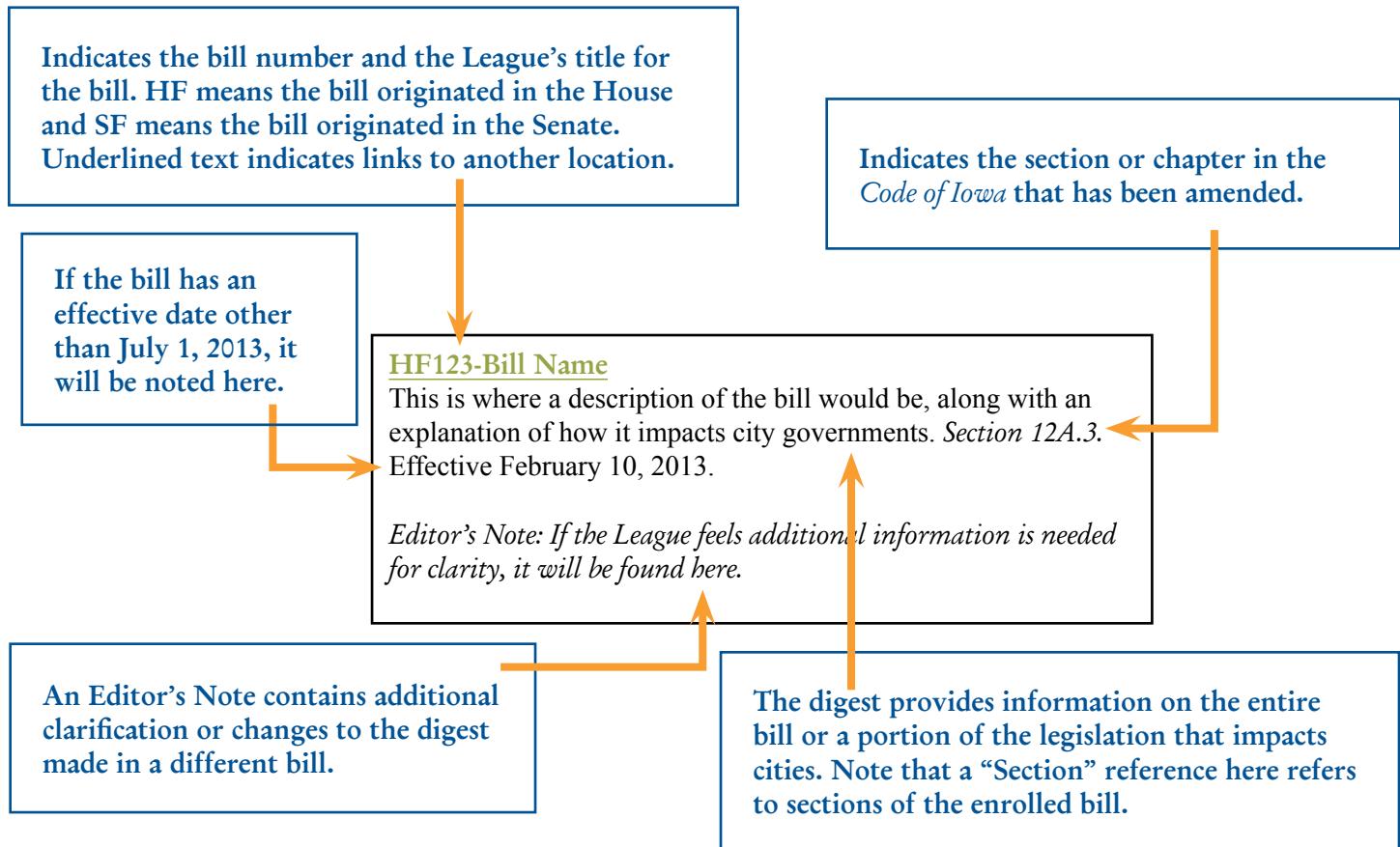
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Reader's Guide to New Laws Summaries

This Special Report outlines legislation passed during the 2013 session that affects cities and is categorized in subject areas for easier reading. The sample entry below explains what type of information this report contains.

Editor's Note: The report is intended as a reference guide to new laws that may interest your community. This report should not act as a substitute for the actual final enrolled legislation, nor should it substitute for advice from an attorney.



League's Priority Outcomes

Prior to the legislative session, the League's Policy Committee worked to identify several important legislative priorities for cities in Iowa: Responsible Property Tax Reform, Hometown Economic Development, Increase Road and Bridge Funding, Fair and Sustainable Public Pension Systems, Local Decision Making and Assist Communities with Water Infrastructure.

Responsible Property Tax Reform

The priority of Responsible Property Tax Reform centered on enacting reform that addresses commercial property tax relief without negatively impacting local governments' ability to provide necessary infrastructure and services or creating a tax shift. Prior to session, the League's Property Tax Workgroup came up with guiding principles for property tax reform the League used to help guide the League's position on property tax proposals as they came forth.

In years past, the Legislature never sent a property tax bill to conference committee, where differences between chambers can be worked out in a final compromise. This session, however, the leadership in both chambers came together in a conference committee to develop a property tax compromise. SF295 makes various changes to Iowa's property tax system including:

- Implementing a 10 percent rollback at 5 percent per year over two years beginning in Fiscal Year 2015 (FY2015) on commercial, industrial and railway property, after which this property will be taxed at 90 percent. This includes some backfill for local governments.

- A reduction in the taxable valuation growth for agricultural and residential property from the current 4 percent to 3 percent.
- Creating a new “multi-residential” property tax class beginning July 1, 2015, which will be rolled back to residential levels by January 1, 2022, without backfill to local governments after the new class is created.
- Making changes to telecommunications property taxation without backfill to local governments.
- Extending the Property Tax Assessment Appeal Board with some changes to the process of the Board.
- Creating a new business property tax credit.
- Transferring budget surpluses to the Iowa Taxpayers Trust Fund.
- Increasing the earned income tax credit (EITC) from 7 to 14 percent in 2013 and to 15 percent in 2014 and thereafter.

Property tax reform has been a longstanding issue for the League, and it is encouraging to see that the property tax reform package showed significant improvement from earlier property tax reform proposals the League opposed that would have devastated local budgets. While the compromise on property tax is a more reasonable approach, cities will feel downward budget pressure from some components of the bill, with the degree of local effects varying across Iowa’s communities.

The changes include:

- Smaller rollback on commercial and industrial property; *Early proposals included a 40 percent rollback.*
- Inclusion of main street tax credit aimed at small businesses (a concept the League supported), instead of inclusion of a larger rollback.
- More solid provision of backfill with a standing appropriation and provides full backfill for the 10 percent commercial and industrial rollback for the first two years and then a capped amount thereafter; *Early versions did not provide backfill to local governments or provided very uncertain backfill.*
- Smaller reduction in growth allowance on taxable values for agricultural and residential property to 3 percent; *Original versions reduced from 4 to 2 percent.*
- Slightly reduced local government impact from telecommunications changes.
- Does not include “essential city services” provisions which would have dictated local spending priorities from the state level.

Editor’s Note: For more detailed information on the property tax reform compromise and its effects on cities, see Appendix A on page 10. Additional property tax bills can be found on page 7.

Home Town Economic Development

With the backdrop of a budget surplus in excess of \$800 million, economic development programs saw increases in funding and the addition of new programs. The state’s budget surplus allowed for increases in funding for multiple economic development programs including the overall tax credit limit for economic development projects through the Iowa Economic Development Authority (IEDA), the Community Attraction and Tourism (CAT) program and Historic Preservation Tax Credits. However, Governor Branstad used his line-item veto power to strike the increase on Historic Preservation Tax Credits.

In addition to the funding increases, a new economic development program was created through the Iowa Reinvestment Act. [HF641](#) allows the Iowa Economic Development Authority Board to approve the establishment of reinvestment districts in municipalities in existing Tax Increment Finance (TIF) or enterprise zones. These districts would be remitted new state sales tax and hotel

and motel excise tax revenues created in the district for the purposes of vertical improvement constructed or substantially improved within a district. This is a new tool for cities to develop unique economic development projects that will grow the state and local economies.

Editor's Note: For more detailed information on the Iowa Reinvestment Act, see [Appendix B](#).

Increase Road and Bridge Funding

The League also supported the raising of infrastructure revenues through user fees such as a gas tax increase and other mechanisms to maintain critical funding for Iowa's roads and bridges. The total forecasted for Road Use Tax Fund (RUTF) and Transportation Investment Moves the Economy in the 21st Century (TIME-21) Fund for state fiscal year 2013 are estimated to be \$1.298 billion but these funds are insufficient to meet the infrastructure needs of the state. This priority area saw significant activity but there was not a final bill passed to increase road use funding. The chair of the House Transportation Committee offered a gas tax amendment to a bill that regulated blended fuels in order to further raise awareness of the need to raise revenues for road funding, but withdrew the amendment without a vote.

Fair and Sustainable Public Pension Systems

Even though pension issues are traditionally taken up in the second legislative session, the League continues to prioritize addressing the increasing costs and inequities of the Municipal Fire and Police Retirement System of Iowa (MFPRSI) and holding down the costs of those local governments who participate in the Iowa Public Employees' Retirement System (IPERS).

MFPRSI put forward a technical corrections bill that was developed and supported by the MFPRSI Board of Trustees. The corrections within [SF327](#) include provisions to broaden the description of who can serve on the MFPRSI board as a city representative and other provisions related to entrance exams for civil service employees, clarifications of certain definitions and administration of the system.

The League supported a state appropriation for the retirement system of 3.79 percent of the covered earnable compensation of those participating in the system. This percentage would be a restoration of previous contributions by the state, but attempts in the Senate for this appropriation were not passed in the House.

Local Decision Making

This year, the League continued to work hard in its support of Home Rule and the ability of cities to make the decisions that affect their local communities. This included successfully pushing for more efficient use of city resources and enhanced transparency by shifting requirements for newspaper publication through the DNR technical bill [HF311](#). This eliminates unnecessary storm water permit publications by reducing the number of publications required for general permit applications from two to one.

Through the grassroots efforts of city officials, the League also helped to defeat an attempt to change residential occupancy restrictions for use by cities, the multiple bills aimed at the constraint of automated traffic enforcement (ATE) systems and helped to craft a compromise for cities with the stakeholders involved in the Plumbing and Mechanic's bill further explained in [Appendix C](#).

Assist Communities with Water Infrastructure

The League's legislative staff prioritized helping communities struggling to implement expensive water and wastewater regulations through additional grant funding and technical assistance. Early in the session, the Iowa Department of Natural Resources (IDNR) released their Disadvantaged Communities Final rule. The League worked closely with IDNR to ensure that "disadvantaged communities" had additional time to comply with wastewater regulations if they would experience "substantial and widespread economic and social impact" through compliance.

IDNR accepted comments to the Nutrient Reduction Strategy in mid-January and released the final version at the end of session. The League submitted comments that were reviewed by the Environmental Review Committee during the comment period. As a “major municipal” facility identified in the strategy, many cities will be required to meet new lower goals for Nitrogen and Phosphorous through a technology-based approach. The Legislature did not appropriate any resources to assist cities in implementation of this strategy but there was \$13 million given in one-time money for water quality initiatives with the Iowa Department of Agriculture and Land Stewardship (IDALS) that will support the voluntary non-point source programs with agricultural producers.

Alphabetical Topic Listing

Appropriations

HF648—One-time appropriations of State Surplus

Section 9. Appropriates \$50,000 for administrative support in the current fiscal year for the public safety training and facilities task force established by SF447.

SF452—Standing Appropriations Bill

Section 6. Appropriates \$208,351 for operational support grants and community cultural grants under Section 99F.11(3)(d)(1) and \$582,000 for regional tourism marketing under Section 99F.11(3)(d)(2).

Section 9. Appropriates \$75,000 to the Iowa Public Information Board for salaries, support, maintenance and miscellaneous purposes.

Section 22. Creates rules for scenic highway advertising signage that is relocated due to the reconstruction, improvement, or relocation of the highway.

Section 113. Updates apportionment of transportation funds to 2010 federal census or as of the April 1, 2010, population estimates base as determined by the United States Census Bureau.

VETO

Section 117. Increases the amount of Historic Preservation and Cultural and Entertainment District Tax credits available to \$55 million in FY15-FY17, which is an increase of \$10 million. There is a \$5 million increase to \$50 million in FY 2018 and beyond.

VETO

SF447—Justice System Appropriations

Division IV. Public Safety and Training Task Force is created to develop a plan for the creation of a combined training facility amongst public safety disciplines.

Construction Contracts

HF211—Iowa Law for In-state Construction Contracts and Disputes

Provides that a provision of an in-state construction contract is void and unenforceable as contrary to public policy if the provision makes the contract subject to the laws of another state or requires any litigation, mediation, arbitration, or other dispute resolution proceeding arising from the contract to be conducted in another state. It also requires any litigation, mediation, arbitration or other dispute resolution proceeding arising from or relating to an in-state construction contract be conducted in Iowa. *New Section 537A.6.*

*Economic Development***HF620—Iowa Economic Development Tax Credit Programs**

Allows the City Development Board to charge application and processing fees for IEDA programs. Raises the aggregate tax credit limit for the IEDA from \$120 million to \$170 million. *Various Sections in Chapter 15.*

HF641—Iowa Reinvestment Act

Allows the IEDA Board to approve the establishment of reinvestment districts in municipalities in existing Tax Increment Finance (TIF) or enterprise zones. These districts would be remitted new state sales tax, and hotel and motel excise tax revenues created in the district for the purposes of vertical improvement (building) constructed or substantially improved within a district. See

Appendix C for more information. *New Code Section 15J.*

SF433—Targeted Jobs Program

Extends the Targeted Jobs Withholding Tax Credit Program that allows the diversion of withholding funds paid by an employer to be matched by a designated city to create economic incentives to businesses within an urban renewal area. Also removes the requirement that projects be located in an urban renewal district. *Section 403.19A.*

SF436—Historic Preservation Tax Credit Program Policy Bill

Changes dollar amount threshold requirements and timing for completion of projects utilizing the State Historic Preservation and Cultural & Entertainment District Tax Credit Program. *Section 404A.*

*Environment***HF311—DNR Technical Changes (reduced publication requirements)**

The DNR technical bill eliminates unnecessary storm water permit publications by reducing the number of publications required for general permit applications from two to one. Gives applicants for permits for water diversion, storage or withdrawal an option to request and extension of time for a complex or contested application. Allows those within the boundaries of a city to now access loans from the on-site wastewater systems assistance program for improving on-site wastewater disposal systems. *Chapter 455B, Sections 466.8 and 466.9.*

HF522—Aquatic Invasive Species

Relates to the prevention and control of aquatic invasive species in the waters of the state. Requires the Natural Resource Commission to adopt rules to restrict the introduction, propagation, use, possession, and spread of aquatic invasive species and identify waters in Iowa that are infested. Prohibits individuals from introducing aquatic invasive species or plants and creates a \$500 fine and additional \$500 for repeat offenses. Creates a fine and penalty for a person leaving the waters of the state and do not drain all water from their equipment for transporting said equipment. Requires people using water-related equipment to inspect their equipment for water invasive species. *Sections 456A.37 and 805.8B.*

SF388—Sponsored Projects SRF Water Resource Restoration Program

Amends the program to allow parking lot projects to be sponsored projects when the parking lot is constructed in a manner to improve water quality and construction is consistent with a Field Office Technical Guide published by the Natural Resources Conservation Service (NRCS) or the Iowa Stormwater Management Manual published by the IDNR. *Section 455B.199.*

*Licensing***SF427—State Licensing and Regulation of Plumbing, Mechanical, HVAC-Refrigeration, Sheet Metal, and Hydronic Professionals**

Requires the State Plumbing and Mechanical Systems Board to adopt the most current version of the Uniform Plumbing Code (UPC) as the state plumbing code, and the International Mechanical Code (IMC) as the state mechanical code. Local jurisdictions with populations greater than 15,000 are required to adopt and enforce the UPC and IMC. *Section 105.1.*

Editor's Note: For more information, see [Appendix C](#).

*Open Meetings, Open Records***HF185—Title of the Office of Citizen's Aide**

This bill changes the title of the Office of Citizens' Aide to the Office of Ombudsman. *Section 2C.*

HF603 and SF452—Iowa Public Information Board (IPIB) Funding

The Legislature created the IPIB in 2012 but resources were needed for IPIB to create a functioning office. HF603 appropriates \$100,000 and SF452 an additional \$75,000 for the hiring of an executive director and office start-up.

Editor's Note: The Standings Bill, [SF452](#), is fully reviewed on page 8.

SF386—Enacting a new exception to the Iowa Open Records Laws

Establishes confidential records protection for personal information contained in an electronic driver's license or non-operator's identification card that is provided by the licensee or card holder to the Iowa Department of Transportation (IDOT) for use by law enforcement, first responders, EMS providers and other medical personnel responding to or assisting with an emergency. *Section 22.7.*

*Pensions***SF327—MFPSI Technical Bill**

Technical corrections bill put forward by the MFPSI that broadens the description of who can serve on the MFPSI board as a city representative, and other provisions related to entrance exams for civil service employees, clarifications of certain definitions and administration of the system. *Various sections of Chapter 411.*

*Property Tax***HF627—Property Tax Exemption for Fairgrounds Owned by a County or a Fair**

Creates a property tax exemption for fairgrounds that are owned by a county or a fair, which currently only affects five communities across the state. The use of these fairgrounds for nonprofit or for profit purposes other than a fair event by the owner or by a lessee does not affect the tax exemption. *Code of Iowa* Section 25B.7 does not apply to the property tax exemption created in the bill so local jurisdiction is required to extend the property tax exemption. *New Subsection 427.1(39).*

HF632—Property Tax Exemption for the Cultivation of Algae

Treats the cultivation and production of algae as agricultural property for property tax purposes. The real estate must be used directly in the cultivation and production of algae for harvesting as a crop for animal feed, food, nutritionals, or biofuel production. If the algae moves toward a value-added process, such as the development of biofuels, then that process is treated as commercial for property tax assessment purposes. *Section 427A.1(4).*

SF295—Property Tax Reform

Makes various changes to Iowa's property tax system including:

- Implements a 10 percent rollback at five percent per year over two years beginning in FY15 on commercial, industrial and railway property, after which this property will be taxed at 90 percent. Includes some backfill for local governments.
- Taxable valuation growth reduction for agricultural and residential property from the current 4 percent to 3 percent.
- Creates a new “multiresidential” property tax class which will be rolled back to residential levels by January 1, 2022, without backfill to local governments.
- Makes changes to telecommunications property taxation without backfill to local governments.
- Extends and makes changes to the Property Tax Assessment Appeal Board.
- Creates a new business property tax credit.
- Creates transfers to the Iowa Taxpayers Trust Fund.
- Increases the earned income tax credit from 7 to 14 percent in 2013 and to 15 percent in 2014 and thereafter. *Various Sections*.

*Public Safety***HF644—Enhanced 911 Emergency Communication Systems**

This law modifies provisions applicable to the administration and funding of enhanced 911 (E911) emergency communication systems, which are funded through wire-line and wireless surcharges to customers. The law updates the surcharge structure and system to create a more modern emergency communication system that will comply with future federal requirements. *Section 34A.7*.

*Rebuild Iowa Infrastructure Fund***HF638—Rebuild Iowa Infrastructure Fund**

Section 1(2)(a). \$1 million in FY2013-2014 for the Iowa Great Places Fund program projects that meet the definition of “vertical infrastructure” in *Code of Iowa* Section 8.57.

Section 1(3)(a). \$500,000 in FY2013-2014 for equal distribution to regional sports authority districts certified by the economic development authority pursuant to *Code of Iowa* Section 15E.321.

VETO

Section 1(3)(b). The RECAT program receives \$1 million in FY2013-2014, which is the same level of funding as previous years.

Section 1(6)(a). \$8.6 million in FY2013-2014 for implementation of lake projects that have established watershed improvement initiatives and community support in accordance with the DNR's annual lake restoration plan and report.

Section 1(6)(b). \$1 million dollars is appropriated in FY2013-2014 for the administration of a water trails and low-head dam public hazard statewide plan.

Section 1(8)(a). IDOT receives \$3 million for acquiring, constructing, and improving recreational trails within the state.

Section 1(8)(b). IDOT also receives \$1.5 million for the Public Transit Infrastructure Grant Fund created in *Code of Iowa* Section 324A.6A for projects that meet the definition of “vertical infrastructure” in Section 8.57(5)(c).

Section 1(8)(c). \$1.5 million for infrastructure improvements at the commercial service airports within the state.

Section 1(8)(d). \$750,000 for infrastructure improvements at general aviation airports within the state.

Division VII. Eliminates both the Iowa Jobs (I-Jobs) Board and the I-Jobs Restricted Capital Fund.

Section 32. Appropriates \$5 million dollars for FY2013 for the CAT program.

Section 33. Increases the appropriation for the CAT Program in FY2014 by \$2 million to \$7 million and extends the sunset through FY2015 with \$5 million appropriated for that fiscal year.

Rulemaking

HF586—Changes to State Agency Rulemaking Process

Makes changes to Iowa's rulemaking law *Code of Iowa* Chapter 17A. For emergency rulemaking, provides that a rule can be adopted without notice only where the law provides or with approval of the Administrative Rules Review Committee (ARRC). Empowers ARRC to object to and suspend an emergency rule with a two-thirds vote for 70 days if the vote occurs within 35 days of the effective date of the emergency rule. *Sections 17A.4, 17A.8 and 17A.23.*

Utilities

HF524—Utility Liens for Commercial Rental Properties

Expands the lien exemption under Section 384.84 to also apply to the rates and charges that are paid directly by a tenant of a commercial rental property for water utility services, provided that the landlord of that rental property gives written notice to the city utility that the property is a commercial rental property and that the tenant is liable for those rates or charges. *Section 384.84.*

Appendix A: Property Tax Reform, SF295

Division I—Business Property Tax Credit

Appropriates \$50 million in state general fund dollars beginning July 1, 2014, \$100 million July 1, 2015 and \$125 million per year by July 1, 2016, for business property tax credits. Commercial, industrial and railway property parcel owners must make a claim to receive the credit. If the state does not fully fund the credits, local governments do not have to fund the remainder.

Division II—Residential and Agricultural Assessment Limitation and Commercial and Industrial Rollback

For each assessment year beginning January 1, 2013, and thereafter, reduces the amount of taxable valuation growth from 4 percent to 3 percent on residential and agricultural property, or whichever is lowest of the two classes.

For valuations established during assessment year beginning January 1, 2013, commercial, industrial and railway property is rolled back to 95 percent. For valuations established during or after the assessment year beginning January 1, 2014, commercial, industrial and railway property is rolled back to 90 percent. Thereafter, these classes are taxed at 90 percent.

Creates a standing General Fund appropriation, beginning in FY2015, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property (not for railway reductions). Prior to FY2018, the appropriation is a standing unlimited appropriation, but beginning in FY2018, the standing appropriation is capped at the actual FY2017 appropriation amount.

Editor's Note: The [League's Property Tax Model](#) was designed to help cities determine the likely impact of Division II on their communities.

Division III—Multi-residential Property

This division establishes a multi-residential property classification that includes mobile home parks, manufactured home communities, land-leased communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate living quarters. Additionally, for buildings that are not otherwise classified as residential property, that portion of a building that is used or intended for human habitation can be classified as a multi-residential property, even if human habitation is not the primary use of the building and regardless of the number of dwelling units located in the building.

The following rollback percentages will be phased in over 8 years, beginning in Assessment Year 2015 (not backfilled):

- January 1, 2015 – 86.25%
- January 1, 2016 – 82.5%
- January 1, 2017 – 78.75%
- January 1, 2018 – 75%
- January 1, 2019 – 71.25%
- January 1, 2020 – 67.5%
- January 1, 2021 – 63.75%
- January 1, 2022 and thereafter— same as residential property

Division IV—Telecommunications Property Taxation

Partial exemption of property used by companies in the transaction of telegraph and telephone business that is on a graduated percentage scale based upon the value of the property (not back-filled).

- 40 percent of the actual value of the property that exceeds \$0 but does not exceed \$20 million.
- 35 percent of the actual value of the property that exceeds \$20 million but does not exceed \$55 million.
- 25 percent of the actual value of the property that exceeds \$55 million but does not exceed \$500 million.
- 20 percent of the actual value of the property that exceeds \$500 million.

Also, commissions a study on the current system of assessing telecommunications company property and levying property tax against companies that provide telecommunications services in this state and make recommendations for changes.

Division V—Iowa Taxpayers Trust Fund Tax Credit

Makes transfers to the newly created Taxpayer Trust Fund. Taxpayers who file an individual income tax return are eligible for a tax credit. As estimated by the Legislative Services Agency:

For calculation of the Taxpayer Trust Fund Tax Credit available when tax year 2013 individual income tax returns are filed, there will be \$120 million available for the tax credit and the maximum tax credit allowed per taxpayer will equal \$54. For calculation of the Taxpayer Trust Fund Tax Credit available when tax year 2014 individual income tax returns are filed, there will be \$91.9 million available for credits and the maximum tax credit allowed per taxpayer will equal \$43. After tax credits are issued for tax year 2014, an estimated \$24.4 million will remain in the Taxpayer Trust Fund.

For future tax years, transfers the balance of the Taxpayers Trust Fund that equals or exceeds \$30 million to the newly created Iowa Taxpayers Trust Fund Tax Credit Fund.

Division VI—Property Assessment Appeal Board (PAAB)

PAAB is a state agency created for the purpose of establishing a consistent property assessment appeal process. SF295 requires two PAAB members, instead of one, to be certified property appraisers, and removes the requirement that one member have experience in accounting or finance. Changes the salary range for PAAB members to a range set by the Legislature. Specifies various changes to the Board's appeals process. Moves the sunset date for PAAB from July 1, 2013, to July 1, 2018.

Division VII—Earned Income Tax Credit

Increases the earned income tax credit from 7 to 14 percent in 2013 and to 15 percent in 2014 and thereafter.

Appendix B: Iowa Reinvestment Act, HF641

The Iowa Reinvestment Act creates a new tool for economic development that allows municipalities to develop reinvestment districts with the approval of the Iowa Economic Development Board. These reinvestment districts would be remitted certain new state sales tax and hotel and motel tax revenues for the purposes of vertical improvements or construction within a district for new “retail businesses.” as defined in *Code of Iowa* Section 423.1, for up to 20 years. This will not impact existing revenues including local option sales tax revenue and current hotel and motel tax revenue.

Requirements of an Eligible Area (Section 4(1))

- It must consist only of parcels that will be directly and substantially benefitted by development in the proposed district;
- The area is in whole or in part either an economic development enterprise zone or a TIF district;
- The contiguous parcels cannot exceed 25 acres in total;
- The area cannot include the entire incorporated area of a city; and
- Cannot be located in whole or in part within another approved reinvestment district.

Prior to Submission to the Board (Section 4(2))

A city must develop and approve by resolution the intent to establish a district. The proposed plan shall include:

- A finding by the city that the area is an eligible area;
- A legal description of the real estate forming the boundaries of the proposed area;
- A map of the proposed parcels;
- A list of the owners of the parcels to be included in the proposed district;
- A list and detailed description of all projects proposed to be undertaken within the district;
- An estimated cost;
- the anticipated funding sources and amount for each source;
- The type of debt, if any, to be incurred;
- A feasibility study that includes the amount of gross revenues expected to be collected, an explanation of the manner the project will contribute to the economic development of the state and city, an estimate of anticipated visitors each year and a description of the unique characteristics; and
- An independent economic impact study that contains an analysis of the financial benefits, an identification of the projected market areas with a substantial economic impact and an assessment of the fiscal impact of the proposed district on businesses within the projected market area.

Submission to the Board (Section 4(3))

The city shall submit the appropriate documents and the board will review the proposed district plan to ensure that:

- The proposed area is eligible.
- The proposed projects are of a unique nature and will have a substantial beneficial impact on the economy of the state and the economy of the municipality.
- The project is feasible.
- At least one of the projects includes a capital investment of at least \$10 million.
- The total amount of proposed funding from state sales tax revenues and state hotel and motel tax revenue to be remitted for all proposed projects does not exceed 35 percent of the total cost of all proposed projects in the proposed district plan.

- The amount of proposed capital investment within the proposed district related to retail businesses in the proposed district does not exceed 50 percent of the total capital investment for all proposed projects in the proposed district plan.

Board Approval (Section 4(3)(d))

If the board approves the proposed district plan then the board will establish a commencement date for the district and establish maximum amounts of state revenues that may be remitted the project. The remittances shall not exceed \$100 million.

After Approval (Section 4(3)(e))

The city may then adopt an ordinance establishing the district and notify the director of the Iowa Department of Revenue of the district's commencement date established by the board no later than 30 days after adoption of the ordinance.

The city has the opportunity to amend the plan by adding or modifying projects, but approval by the board is required. Modification does not include the ability to change the commencement date of the project.

An annual progress is required on or before October 1 of each year to the board detailing:

- The status of each project undertaken within the district;
- An itemized list of expenditures from the municipality's reinvestment project fund in the previous 12 months that have been made related to each project being undertaken within the district;
- The amount of the total project cost remaining for each project being undertaken within the district as of the date the report is submitted;
- The amounts, types, and sources of funding used for each project.

New State Tax Revenue Calculations (Section 5)

The remitted new state sales tax revenues will be the product of the amount of sales subject to the state sales tax in the district during the quarter from new retail establishments times 4 percent.

The remitted new state hotel and motel tax revenue shall be the product of the amount of sales subject to the state hotel and motel tax in the district during the quarter from new lessors times the state hotel and motel tax rate imposed under *Code of Iowa* Section 423A.3.

Appendix C: Mandatory Adoption of State Plumbing and Mechanical Codes by Local Jurisdictions, SF427

SF427 requires the State Plumbing and Mechanical Systems Board to adopt the most current version of the Uniform Plumbing Code (UPC) as the state plumbing code, and the International Mechanical Code (IMC) as the state mechanical code.

Cities with populations of 15,000 and above

- required to adopt and enforce the UPC and IMC by December 31, 2016, repealing any other code they may have already adopted.

Local jurisdictions with a populations greater than 15,000 will have until December 31, 2016 to adopt the state plumbing and mechanical codes by ordinance. For cities that have not adopted a plumbing or mechanical code or have adopted a different version, this provision gives adequate time to prepare for adoption of these codes by using an adoption date that is 16 to 18 months after the anticipated release of new updated versions of the state-mandated codes.

Cities with populations below 15,000

- are not required to adopt or enforce the UPC and IMC, but the codes will still apply within the city.

Cities with a population below 15,000 are not required to adopt by ordinance the state plumbing code or the state mechanical code. In addition, cities in this population category are not required to conduct inspections or take any other enforcement action under the state plumbing code and state mechanical code regardless of whether the local jurisdiction has adopted by ordinance the state plumbing code or the state mechanical code.

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*NOTICE OF MEETING OF THE BOARD OF TRUSTEES
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
THURSDAY, JULY 11, 2013 10:00 am*

LOCATION: MFPSI OFFICES 7155 LAKE DRIVE SUITE 201, WEST DES MOINES, IA, 50266
OFFICE PHONE: (888) 254-9200

PRELIMINARY AGENDA [See Notes 1, 2, 3, 4 below]

MANAGERS

A. SERVICE FIRMS REVIEW: INVESTMENT MANAGERS

CONSENT ITEMS

MINUTES B. MINUTES AND SCHEDULES
1. REVIEW & APPROVAL OF MINUTES OF PREVIOUS MEETING(S)
2. SCHEDULES – CALENDARS – CONTRACT SUMMARY

FINANCIAL C. FINANCIAL REPORTS
1. STATUS & ANY PROPOSED MODIFICATION OF THE BUDGET

ACTIVITY D. BENEFIT ACTIVITY REPORTS
1. COMMUNICATION PROGRAM ACTIVITY
2. DROP PROGRAM ACTIVITY UPDATE
3. SUSPENSION & WITHHOLDING REPORT

PROJECTS E. DEVELOPMENT PROGRAM REPORTS
1. LEGISLATIVE REPORT

DISCUSSION/ACTION ITEMS

- F. BOARD INQUIRIES & ANY MISC. DISCUSSION ITEMS
- G. DISCUSSION OF LEGAL MATTERS, IMMINENT/PENDING LITIGATION CASES (NONE)
- H. CONSIDERATION OF & DETERMINATION ON APPEAL CASE (NONE)
- I. INVESTMENT PROGRAM UPDATE
- J. INVESTMENT PERFORMANCE REPORT
- K. STATEMENT OF INVESTMENT POLICIES & OBJECTIVES

NOTES: 1) Subject to additions & modifications as topics develop. At the discretion of the Chairperson of the Board, the scheduling of individual subjects during the meeting may be adjusted to facilitate the efficient utilization of time. 2) You are hereby notified that the above named public body will hold a meeting at the dates, time and place specified. A vote may be considered to go into closed session pursuant to Iowa Code 21.5(c)(f). 3) Consent Agenda: Subjects that require only consent or approval by the Board of Trustees, including informational topics. Subjects upon which information is provided for the Board but which will not be reviewed at the Board meeting except at the request of an individual Board member or the administration. 4) The Board of Trustees will work through the agenda until completion. Breaks will occur periodically as deemed necessary by the Board chairperson.

NEXT BOARD MEETING: AUGUST 29, 2013

Press Release

For Immediate Release Muscatine County Emergency Management

An after action review was done earlier today to assess the issues around the Tornado event that impacted the City of Muscatine on June 24th. Public Safety officials met with the Mayor and a representative from the National Weather Service today.

The Muscatine Communication Center (MUSCOM) is responsible for receiving information from the National Weather Service for outdoor warning system activation. MUSCOM received no such information that met the criteria to activate the system from NWS. The policy for activation mirrors many other communities' policies for activation. That criteria is; wind speed greater than 70mph, golf ball size hail, a confirmed tornado by NWS or a sighting of a tornado by a trained spotter.

On Monday June 24th none of those criteria had been met and thus the reason why MUSCOM did not activate the warning system.

Outdoor warning systems are designed to be heard outdoors only and residents are urged to have other available resources such as weather radios and smart phone applications to find out more information.

The public is also urged not to call 911 or the communications center non-emergency line to ask why the warning system is going off. The call-takers need to be able to answer emergency calls and calls from spotters. Any activation of the system should prompt citizens to seek shelter, turn on another media outlet or weather radio for information and initiate their personal emergency plan. Only call 911 if you have an actual emergency. Also we would like to caution the public not to visit disaster sites during response operations, this creates a hazard to the public and hampers response efforts.

The suddenness and rapidly changing intensity of the storm on Monday is a reminder that all of us need to make personal safety and preparedness the highest priority. According to the NWS, the state of science today gives pre-warning of a tornado only 70% of the time. This means 30% of the time there is no prediction or warning of a tornado. People must rely on their own awareness and react and take preplanned precautions. In these circumstances seconds can make a difference. We urge citizens and businesses to visit the websites below to assist them with making an emergency plan and to find information on preparedness

<http://www.ready.gov/business>

<http://www.ready.gov/are-you-ready-guide>

<http://www.beready.iowa.gov/>