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2020 Legislative Newsletter

June 16, 2020

The Second Session of Iowa's 88th General Assembly adjourned Sunday June 14, 2020. At the beginning of session Governor Kim Reynolds brought forward a broad agenda priorities included workforce development support through Future Ready Iowa, a rural development initiative entitled Empower Rural Iowa, Invest in Iowa, and Universal Licensure. During the week of the second funnel, the Legislature decided to suspend session due to the COVID-19 pandemic that lasted 13 weeks. The Legislature returned June 3 with the intent to pass a budget and adjourn the 88th General Assembly within two weeks.

In the final days of session, the House and Senate passed historic justice reform legislation that would ban the use of chokeholds by police officers in most situations and allow the Attorney General to investigate the police force when needed. The bill was introduced, passed unanimously in both chambers, and sent to the Governor for her signature in a single day.

Despite the unprecedented circumstances this year, many of the ICA's priorities relating to **Talent, Economic Development, Business Climate** and **Infrastructure** passed. The ICA registered a position on 118 bills this session with 42 in support.

Talent

HF 2629 – Governor Reynold's **Future Ready Iowa** legislation passed both chambers with bipartisan support. The legislation creates the Expanded Registered Apprenticeship Opportunities Program, the Childcare Challenge Program, and provides matching grants to employers who create childcare facilities. Additionally, the bill expands the Last-Dollar Scholarship Program to more applicants and expands computer science education in K-12. This bill was a priority this year for the ICA and its passage will help provide communities across Iowa with a skilled workforce.

HF 2627 – Governor Reynold's expressed her intent to reform Iowa's professional licensing system during her Condition of the State. This bill addressed that priority by streamlining the licensing process and provided opportunities for individuals licensed in other states to work in Iowa. **Universal Licensure** was a key priority for the ICA as a way to bring more skilled workers into Iowa.

HF2647 – During the few weeks to close out session, there was significant upheaval nationwide related to the killing of George Floyd. In an overwhelmingly bipartisan moment, the Legislature came together on a leadership bill to address **Justice Reform** that included independent investigation by the Attorney General and prohibition of certain law enforcement tactics.

Economic Development

HF 2641 – The Legislature passed a tax omnibus bill with several changes to Iowa's tax code, but it included a reauthorization of \$100 million for the **Iowa Reinvestment Program**. With Invest in Iowa

tabled due to the pandemic, this path was available to increase state funding for quality of life and economic development projects. The bill passed both chambers with bipartisan support.

The Legislature was unable to come to agreement on reauthorization of the Angel Investor tax credit but they also did not pass negative changes to tax credits or policies utilized for economic development.

Business climate

HF 2641 – The tax omnibus also made extremely positive tax policy changes advocated for by the Department of Revenue and the bill also addressed one of ICA’s key priorities by ensuring that global intangible low-taxed income (**GILTI**) is treated as foreign dividend income to avoid a tax increase for companies with foreign income.

HF 2643 – The Legislature decided to pass a **Status Quo Budget** for Fiscal Year 2021 due to the effects of COVID-19 on the state’s economy. As a result, the bill provides for flexible spending authority for Governor Reynolds to work with the Department of Management to implement.

SF 2338 – As a result of the COVID-19 pandemic, ABI spearheaded a **COVID-19 Liability Protections** bill to provide certainty against risk for recovering businesses. The ICA supported the bill that would provide personal protective equipment product liability protections, liability protections to healthcare providers, and businesses liability protectors regarding exposure claims. The legislation passed the House 52-44 and the Senate 31-18.

Infrastructure

SF 2400 – **Empower Rural Iowa** was one of Governor Reynold’s initiatives to expand broadband in rural Iowa. The bill incentivizes industries to install broadband infrastructure in underserved areas of the state with larger incentives for higher speeds. The ICA supported this bill, as it would bring new businesses to rural Iowa. The Legislature approved the bill unanimously.

SF 583 – Before the shutdown for COVID-19, MidAmerican Energy Company, agriculture groups, environmental groups and solar advocates came to an agreement on a **Solar Bill** to address certainty distributed generation for renewable energy.

The governor has 30 days after the legislature adjourns sine die (i.e., until July 14, 2020) to approve or veto legislation sent to her in the last three days before adjournment or sent to her after the legislature adjourns.

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We have enjoyed the opportunity to represent ICA before the Iowa General Assembly and look forward to a continuing representation. Thank you!

As we do every year, we want to emphasize the important role grassroots activities play in the legislative process. Your support and work with your legislators are vital to success of the ICA’s legislative program.

Finally, we wish to remind you that the foregoing discussion of legislative activity is a summary only and the specific enrolled bills themselves should be examined prior to making any decisions in affected areas.