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House of Representatives

State of Iowa

Eighty-Fourth General Assembly

STATEHOUSE

Des Moines, Iowa 50319

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WEEKLY REPORT – January 26, 2012

High property tax is a concern for all Iowans. **House Study Bill 500 includes a proposal for commercial property tax relief.** This Bill is a draft containing a property tax relief plan to help small and large businesses and also establishes property tax levy limits for cities and counties. The Study Bill increases the school formula foundation base percentage from 87.5% to 100% over seven years (the State's share of funding). This would simplify the education funding and provide tax relief to all classes. The Bill also establishes a property tax exemption for property that is improved with permanent construction. This would be done over a 14-year period with all businesses paying taxes on 60% of their taxable value in year 14. With this proposed Bill, small businesses would see the most benefits in the early years and the larger businesses would see the biggest benefits in year 14. In year one, 100% of businesses would receive some tax relief.

The Bill also removes the property tax levy rate limitations for cities and counties and moves them to a property tax limitation expenditure amount that would be tied to an annual growth factor tied to inflation, plus new growth. Property taxes for cities and counties have grown over 60%, while wages for Iowa families have grown 46% the last ten years. **The Bill will need to pass the House of Representatives, the Senate, and signed by the Governor before it becomes a law.**

The Department of Education is seeking input from the public before it submits a waiver to the US Department of Education (USDE) to be exempt from certain portions of the No Child Left Behind (NCLB) Act. The process put in place by the President requires states to outline their plans to implement reform measures. Certain requirements have to be met in order to be exempt from portions of the federal law. Three provisions of NCLB that will be waived are: (1) 2013-2014 Timeline for Achieving 100% Proficiency, (2) District and School Improvement and Accountability Requirements, (3) Stringent Use of Federal Education Funds.

The USDE requires three additional steps in order to receive a waiver from those provisions: (1) Transitioning to College- and Career-Ready Standards and Assessments, (2) Developing Systems of Differentiated Recognition, Accountability, and Support, (3) Evaluating and Supporting Teacher and Principal Effectiveness.

Please feel free to contact me regarding issues that are or will be before the Legislature. My e-mail address and phone numbers are in the above letterhead.