



IN THE Corridor

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adjourned its 2017 session on April 22, not planning to meet again until next January. Throughout the legislative process, North Iowa Corridor Economic Development Corporation worked to help local businesses and partners understand the potential impact of proposed Iowa legislation.

“The over-arching theme we’re looking for is legislation that impacts the workforce and a competitive business climate,” said Chad Schreck, President & CEO of NIC. “That generally includes education and workforce development, as well as Tax Increment Financing and other potential incentive.”

The Corridor kept tabs on talk about Tax Increment Financing (TIF), a key local economic development tool. TIF often is discussed by the Iowa Legislature, but no actions came out of this session to change it, which is important because it is currently one of the most effective tools our communities have in encouraging local business expansion and new business recruitment.

“We work with state and local organizations to monitor what is happening, make sure we are aware of key policies that could impact our communities and businesses, and encourage the best business

climate,” Schreck explained. “We want whatever is done to be fair and effective. Workforce education is more important than ever. We want to encourage training and school funding.”

This year, several North Iowa businesses would have been impacted by potential legislation limiting or removing previously promised tax credits. NIC informed impacted businesses of these risks to make sure they were aware, and help ensure the concerns were presented to legislators. The proposed changes to business tax credits were postponed until next year, when it is hoped comprehensive tax reform can be addressed, as Iowa is regularly ranked in the 40’s for business tax climate amongst peers. In some cases, eliminating these tax credits would have ended agreement terms that had just recently helped attract businesses to North Iowa.

“We agree these tax credits need to be reviewed, but they were initially created because the current tax system is cumbersome,” Schreck said. “If the tax code were more efficient, many of the credits wouldn’t be as necessary to maintain a competitive environment. For someone looking to locate a new business, it might jeopardize their doing business here, when they look at State of Iowa taxes compared to other states with

simpler tax codes.”

Some of the state organizations informing the Corridor about legislative actions include Professional Developers of Iowa (PDI), the Iowa Association of Business and Industry (ABI), and the Iowa Chamber Alliance (ICA).

According to PDI, legislators intend to take a close look at tax reform in the 2018 legislative session opening next January. It summarized this year’s session as producing several major policy changes along with huge budget cuts across most of state government.

ABI’s legislative session wrap-up called it “one of the most pro-business, pro-jobs years in recent history.” The report cited changes in workers’ compensation laws, provisions for employer protections in expanded medical cannabis legislation, and elimination of “a patchwork of local wage and benefit laws” as some of the session’s biggest business-related accomplishments.

“It’s always a balancing act,” Schreck said of Iowa’s lawmaking process. “And it’s hard to get everything everyone wants.” But the Corridor strives to keep North Iowa competitive for new and existing businesses in service of local economic benefits for all.

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