

Iowa Government in Action

Hubert Houser, Iowa State Senator for Senate District 49 and Greg Forristall, Iowa General Assembly representative for House District 98 both spoke at the Optimist Club meeting. They are both on the Economic Growth committees and spoke on issues in the Legislature.

As with most other states, Iowa has less revenue coming in. The Iowa Constitution does not allow for a deficit, like California does, so they must balance the budget.

The Legislature just passed a bill allowing for a 2% growth in school budgets for 2011. For 2010 the allowed growth is 4%.

The federal stimulus package will provide \$1.9 billion to Iowa over two years. The money is divided into 33 categories, with roads receiving one of the larger parts, \$380 million. The stimulus package leaves \$80 million for state discretionary spending. The danger in the stimulus package is in starting new programs that will have to be funded by the state in two years when the stimulus money runs out, so the Legislature is being cautious on how the money is spent.

Houser and Forristall discussed a possible gas tax increase. The gas tax in Nebraska is about 5 cents higher than in Iowa. Both agreed that the tax probably will not increase this year or next, but probably will in two years.

The State owns 900 acres near the Glenwood Resource Center. There is interest in making it a State reserve. There is some progress in that area.

There is a lot of interest in Iowa, especially in the Western part of the state, to address property tax relief. For businesses, property taxes are much lower in Nebraska than in Iowa. Therefore, businesses will often locate in Nebraska instead of Iowa for the lower tax rate. With State revenues decreasing, this will be a difficult problem to address.