

The Voice of Iowa Business



*Iowa Association of
Business and Industry*

2017

POLICY HANDBOOK

Introduction

The Iowa Association of Business and Industry (ABI) is comprised of more than 1,500 Iowa businesses employing over 330,000 Iowans. ABI was established in 1903 and serves as the state's oldest and largest business organization. As the Voice of Iowa Business, ABI represents member organizations of all types and sizes.


Included in this handbook are key resources to help you gain a better understanding of ABI and the policies its members develop. The policies represent the input of more than 300 ABI members through an in-depth process including regional meetings, specialized committee issue development, Legislative Committee review and approval by the ABI Board of Directors. In addition to the policies, the handbook includes public policy staff contact information, ABI priorities, historic legislative victories and a listing of the ABI Officers and Board of Directors.

We hope you find this handbook to be an excellent resource. Please contact the staff listed in this booklet if you have any questions about the information provided.


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2017 Legislative Priorities

The Iowa Association of Business and Industry has proudly served as the Voice of Iowa Business since 1903. As a member-driven organization, ABI's 2017 legislative priorities reflect the goals of business and community leaders in Iowa's 99 counties. Below are ABI's 2017 legislative priorities.

Workforce

ABI members have prioritized workforce through investment in Elevate Advanced Manufacturing, an initiative to educate students and the public about the opportunities and careers in manufacturing. Preparing Iowa's future workforce must include continued investment in workforce initiatives like Future Ready Iowa and Home Base Iowa and legislative efforts to implement key state and federal reforms. Further, as part of ensuring a qualified workforce, ABI encourages the Legislature to enact policies that are conducive to safe workplaces and that allow employers to address drug and alcohol use, including prescription drug abuse.

Competitive Business Climate

A key component of low unemployment and a qualified workforce is a competitive business climate that will retain Iowa companies and attract new businesses and talent to the state. To that end, ABI seeks ways to simplify, streamline and modernize Iowa's laws and regulations. ABI supports state preemption of a growing patchwork of county and local government proposals to implement workforce policies, like minimum wage increases. This piecemeal approach increases administrative burdens for employers and erodes coherent economic policy. Additionally, ABI supports efforts to simplify and reform Iowa's tax code, without shifting the burden among classes of taxpayers.

Environmental Investment and Accountability

A quality environment not only enhances the attractiveness of Iowa as a location for business and industry, but it also adds to the quality of life and enjoyment of all who live and work here. ABI supports legislation that protects and improves the quality of our state's natural resources, while supporting business and industry growth and improving the quality of life for all Iowans. Investment of state dollars in water and air quality programs and departmental services should be carefully targeted, and provide for accountability and return on investment.

Economic Growth

Mission Statement

To advocate for economic growth policies that foster the prosperity of Iowa through the successful investment and development of new and existing business and industry. Vigorous economic growth results from a superior business, regulatory, and tax climate as well as a safe, reliable and energy-efficient infrastructure. To improve the competitiveness of Iowa's business climate, federal and state government must work in partnership with business, industry, capital sources, education, and agriculture.

Iowa Economic Development

ABI strongly supports economic growth efforts to improve business and community development programs and foster an environment for new and existing businesses to succeed and invest in our state, increasing prosperity for Iowans. Areas of opportunity include:

- Quantity and quality of Iowa's workforce
- Fair, consistent, and simplified regulatory and tax policies
- Enhanced quality of life
- Accessibility to quality information technologies
- Accessibility to reliable public infrastructure
- Streamlining government

Workforce

Economic development is dependent upon immediately obtaining an adequate and qualified workforce with the skills needed today and into the future. ABI supports policies and programs that attract and retain the workforce needed to grow the state's economy, including those improving quality of life and place.

Immigration

Hard-working global talent and workers who choose to live and put their skills to work in America will enhance our international competitiveness and increase the number of high paying jobs for all Americans. ABI encourages policies and practices by the federal government to support and simplify legal immigration in Iowa that will strengthen talent acquisition and retention, business development and economic growth.

Economic Growth Incentives

ABI supports transparent, accountable, and effective business development incentives, while protecting competitive and proprietary information. Some examples of this include:

- **Tax Increment Financing**
ABI supports Tax Increment Financing (TIF) as a valuable and highly versatile economic development tool. It is imperative that this resource be retained as a flexible, viable and locally-controlled economic growth tool for projects that generate property taxes.
- **Job Training**
ABI supports funding job training programs at levels necessary to maintain Iowa's competitive advantage for job skills training.

- **Business Growth and Innovation**

ABI supports those tax credits, exemptions and incentives that encourage business growth and job creation and retention. ABI supports incentives for capital formation, research activities and new jobs credits applied against insurance premium taxes.

- **Ownership Transfer & Business Continuity**

ABI supports policies that encourage ownership transfer of Iowa businesses through employee stock ownership plans (ESOP) and other business transition strategies in an effort to maintain in-state presence.

- **Community Development**

ABI supports programs designed to enhance local community development efforts in addition to the work of community foundations as tools for enhancing the quality of life in Iowa's communities.

- **Economic Development Funding**

ABI supports funding for state marketing, technical assistance to businesses and communities, workforce, infrastructure and business development incentives.

- **Research and Development**

ABI strongly supports investment in research and development in workforce and technology, and to supply resources for innovation in Iowa.

ABI strongly supports state R&D and assistance programs that leverage federal program funding. Priority should go to those programs that are frequently, consistently and independently monitored for their effectiveness and where tax revenues are generated in excess of their program costs.

- **Start-Ups and Small Business Capital Needs**

ABI believes a critical need for Iowa is access to capital for start-ups and small businesses. ABI supports policies that continue to facilitate the attraction of seed and venture capital and debt financing for start-ups and small businesses. ABI also supports the continuation of tax credits that encourage start-ups and small business development.

Broadband Infrastructure

ABI supports policies governing broadband and Internet Protocol that encourage investment in these services. This will enable continuous, uninterrupted access to a host of services all contributing to a vibrant business community and quality of life for Iowans. It is critical to economic growth that all areas of the state have access to broadband and Internet Protocol (IP)-enabled services.

Transportation

ABI believes high quality, accessible and affordable transportation services are critically important to the ongoing economic growth of Iowa and the enhancement of Iowa's quality of life. Competitive access, competitive pricing, and reliable transportation of people and goods resulting in increased productivity should include:

- Air service
- Highway infrastructure
- Pipeline
- Rail services
- Waterway infrastructure
- Autonomous Vehicle Technology

ABI supports cost-effective allocation of state financial resources for transportation with a focus on impacting economic development. ABI supports final design and corridor route decisions, including those requiring environmental policy decisions, be made by the Iowa Department of Transportation. ABI opposes environmental policies that add exorbitant costs to transportation infrastructure improvements.

Transportation Funding

ABI encourages action to sustain long term funding, state and federal, to address the critical needs of Iowa's transportation infrastructure. Revenue sources should be sought to diminish the reliance on the gas tax over the long term. An equitable means should be found to have hybrid and alternative fuels vehicles assist in the support of Iowa's transportation infrastructure.

ABI believes that user fees assessed for one mode of transportation should not be used or diverted to another mode of transportation, or diverted for non-transportation uses. Any sources of funding should give consideration to having Iowa remain competitive with border states.

ABI supports a review of the transportation revenues at least once every five years per Iowa code.

Higher Education

ABI recognizes the important role the state's universities, private colleges and universities, and community colleges play in economic development. We encourage and support policies, programs and research that enlist these institutions more fully in our state's economic development approach.

Energy Policy

Our state's economic development future is dependent upon the availability, reliability and affordability of energy. ABI urges our lawmakers and regulators to develop energy policies that will bring long-term benefits to all Iowans, reduce our nation's dependence on foreign sources of energy and implement regulatory changes that will allow Iowa businesses to better compete on a national and international level. ABI encourages the expansion of all forms of base load generation, renewable energy, increased transmission capacity, and the promotion of efficient use of energy, while avoiding mandates.

Entrepreneurial Growth

ABI supports collaborative efforts by the state, universities, colleges, communities, the private sector, and capital sources to encourage commercialization and empower Iowa’s entrepreneurs through a dynamic and robust entrepreneurial business climate including increased access to latent and publicly funded business or technological innovations.

Government Purchasing

Government purchasing procedures should continually be reviewed and updated to incorporate contemporary and state of the art purchasing and bidding practices while continuing to support companies with operations in Iowa.

Privatization/Government Competition

ABI supports the practice of government submitting requests for proposals in subcontracting of appropriate public services to the private sector in an effort to reduce government expenditures or to avoid unfair competition with the private sector. ABI believes government entities should not compete with taxpaying, private sector vendors for goods and services offered by the private sector.

Strategic Growth

ABI supports an economic strategy that balances retention and assistance to existing businesses with the recruitment of new businesses.

ABI further supports collaborative efforts of the public and private sectors toward economic development opportunities in areas that include: renewable energy, biosciences, information technologies, information technology infrastructure and advanced manufacturing.



Employment and Workforce

Mission Statement

To advocate for legislation and policies that support mutually beneficial employment relationships free from government intrusions in the free market. To advocate for workforce initiatives, a market-driven employee benefit system and a fiscally sound unemployment compensation system providing benefits to those who become unemployed through no fault of their own.

Right to Work

ABI supports Iowa's Right to Work law as a vital freedom for all Iowans. No one in the public sector or in private industry should be forced to join a union or pay dues or fees to a union in order to get or keep a job. ABI opposes any modification or repeal of Iowa's Right to Work law (in Iowa Code Chapter 731 or Iowa Code Chapter 20).

ABI supports a constitutional amendment limiting the designation, selection or authorization of employee representation to secret ballot election conducted no earlier than 40 days after a valid election petition is filed with the appropriate federal or state agency. Any changes to the Right to Work law would have an adverse effect on job creation and economic development in Iowa.

Workforce Recruitment, Retention and Development

Iowa businesses continue to face a critical need for reliable skills measures that help identify qualified individuals (or job candidates) for entry level and middle-skilled positions.

- ABI encourages further collaboration between public and private sectors to meet the workforce needs such as sector partnerships and career pathway strategies.
- ABI supports the use of incentives and educational programs to encourage businesses, educators and government, community based and other organizations to collaboratively address the workforce needs in Iowa.
- ABI encourages attracting, training, and retaining a diverse and inclusive workforce with respect and fairness for all.
- ABI believes that drug and alcohol free workplaces are essential to the health and safety of all Iowans. ABI supports continuous clarification and refinement of Iowa laws and regulations to allow employers to implement appropriate testing policies that include the use of any scientifically sound methods of testing and reasonable methods of notification and compliance. ABI further encourages premium incentives to employers who implement drug testing programs.



Iowa Education

Iowa must continue to address its educational system to recapture leadership status among the states. ABI supports early childhood education, performance-based education and statewide accountability standards. ABI supports appropriate funding for K-12 education that will ensure students are prepared to compete in a global economy, and build their foundational employability skills. Appropriate funding should be performance-based and include statewide accountability standards. ABI also supports initiatives to ensure financial literacy of all people. ABI supports educational programs, economic incentives, and skills development strategies, such as Elevate Advanced Manufacturing, the National Career Readiness Certificate (NCRC) and Science, Technology, Engineering, and Math (STEM) to promote job growth and retention within Iowa. ABI supports implementation of secondary career and technical education (CTE) reform.

Unemployment Compensation

- **One-Week Waiting Period**

As one of only nine states without this provision, ABI supports permanent adoption of the one-week waiting period prior to becoming eligible for unemployment benefits.

- **Trust Fund**

The Unemployment Compensation (UC) Trust Fund, including the Unemployment Reserve Fund, consists of funds paid by employers for the sole purpose of providing unemployment compensation benefits. ABI supports protecting the UC Trust Fund and UC Reserve Fund to guarantee that the monies are used only to pay unemployment compensation benefits.

ABI opposes any attempt to change from using the combined UC Trust and UC Reserve Funds in the calculation of tax rate tables.

- **Benefits Eligibility Requirements**

ABI supports increasing the eligibility requirements for qualification for unemployment compensation benefits to ensure that only those individuals with actual attachment to the workforce are eligible. This may include:

- requiring a minimum of 20 weeks of earnings in a base period;
- requiring earnings in a non-high quarter to be 50% of the high quarter earnings rather than 25%;
- requiring earnings of 10 times a claimant's weekly benefit amount to re-qualify for a second benefit year;
- repeal of the provisions that automatically increases wage credits by 50% to allow 13 additional weeks of benefits where a business closing is involved;
- disqualifying benefits in labor disputes, including lockouts; and
- disqualifying benefits due to failed drug or alcohol tests; and
- disqualifying benefits due to pay from former employer.

Scope of Iowa Civil Rights Act

ABI believes the Iowa Civil Rights Act should not allow for the award of punitive damages, or additional remedies, nor the expansion of new protected classes, nor create more lenient proof standards for claimants.

Wages

- **Minimum Wage**

Wages are driven by market forces of supply and demand. ABI believes political subdivisions should not establish minimum wage rates different than the state minimum wage. Inconsistency inhibits growth and economic development and diverts attention from the issue of employers needing a qualified labor force.

- **Prevailing Wage**

ABI opposes establishment of a prevailing wage requirement for any publicly funded projects.

- **Project Labor Agreement**

ABI opposes mandated project labor agreements. ABI opposes any restrictions on the ability to bid and perform public works contracts by regulating wages, benefits and workforce.

- **Wage Payment Collection**

ABI believes the current wage payment enforcement law is sufficient to prosecute violators. ABI supports additional resources for education and enforcement of existing Iowa Code Chapter 91A.

Workplace Flexibility

Iowa employers compete in a global economy which dictates workable and universally beneficial policies that retain and promote flexibility of programs and choices for employees and employers. Employers are in the best position to decide the type and scope of necessary benefits to attract and retain a qualified workforce.

The Legislature should recognize and support the voluntary efforts of employers to respond to individual employee needs for work schedule flexibility. ABI believes the state or local subdivisions should not mandate workplace flexibility programs of any kind, including specific paid leave programs and benefits.

Health Care

ABI supports a consumer-driven, free market employee benefit system emphasizing quality service and competitive pricing.

ABI supports all reasonable initiatives that will:

- reduce and stabilize the growth of health care costs;
- encourage focused tax credits and other incentives for employers to maintain coverage and decrease the number of uninsured Iowans;
- increase employer flexibility and incentives to offer voluntary wellness and prevention initiatives, including tax credits;
- provide for cost effective implementation of the federal Patient Protection and Affordable Care Act.

Health Insurance Exchange

As Iowa employers navigate new federal health care requirements; ABI supports the implementation of an exchange that includes:

- careful review of transition from a federally-facilitated exchange to a state exchange;
- minimizing additional costs for employers;
- reducing market disruption and upheaval;
- maintaining sufficient business flexibility to adapt to a new environment;
- supporting a competitive and level playing field in the insurance marketplace.

Health Care Reimbursement

ABI supports appropriate reimbursement levels for Medicare and Medicaid programs to cover the cost of care of the program recipients.

Health Insurance Mandates

ABI opposes the establishment of health care benefit mandates that require Iowa employers to contribute to the health insurance premium cost for full and part-time employees. ABI further opposes mandates requiring specific state coverages and mandates beyond those required by the PPACA.

ABI supports the efforts of the private market in establishing reimbursement levels for providers. ABI opposes legislation that mandates equalization of pay for health care services.

Public Sector Employment

ABI supports public employee compensation and benefits which are comparable to the private sector. ABI advocates for increased transparency of total benefits in public sector employment both to the employees and the public.

ABI supports reform of Iowa Code Chapter 20 (public sector employment). ABI opposes any changes which would erode the authority of public bodies with relation to employment, including but not limited to Iowa Code Chapter 279 (public school boards). Such changes would significantly impact the costs to local governments, placing additional burdens on taxpayers. ABI encourages clarification of the standards arbitrators are to apply when rendering a decision.

Environment

Mission Statement

To inform members about state and federal environmental legislation, regulations and policy. ABI advocates for environmental legislation and regulations based on sound science in an effort to eliminate burdensome provisions. ABI promotes commonsense practices and legislation to protect and improve the quality of our state's natural resources while supporting business and industry growth improving the quality of life for all Iowans.

General Statement

A quality environment not only enhances the attractiveness of Iowa as a location for business and industry, but it also adds to the quality of life and enjoyment of all who live here; including employees, families and future generations. To assure a quality environment and good jobs in a world economy, Iowa must wisely spend available resources that follow sustainable practices.

ABI supports the efforts of environmental regulatory authorities to work proactively with business and industry, including expeditious review, to enhance economic growth and development. Decision-making should use sound science, should consider environmental and economic impacts, and should strictly adhere to Iowa law. The resulting decisions should be consistently applied throughout the state.

Environmental policy should be established by the Legislature. ABI encourages state and federal government to use risk/benefit criteria (fiscal, health and environment) in the review of existing and new environmental programs. State and federal government should also achieve regulatory compliance primarily through cooperative agreements and assistance rather than enforcement.

Environmental Governance

ABI believes it is the role of the Legislature to establish the environmental policy for the state. The elected members of the general assembly should ensure that administrators and regulators do not overreach their authority. ABI supports a regulatory system of checks and balances. The Environmental Protection Commission (EPC) is an unelected advisory board and should enforce the environmental policy set forth by the Legislature. The identity of the commissioners comprising the EPC should accurately reflect the interests of those regulated. The EPC must adhere to the state law regarding conflict of interest and strict compliance with Iowa Code Chapter 17A, Administrative Procedure Act.

ABI advocates to the Legislature that state or local environmental legislation, regulations, policies, and practices be no more stringent than federal environmental legislation, regulations, policies and practices. In order for business to compete in a fast-paced, global economy, a streamlined permitting process that grants or denies a permit in a timely manner and eliminates burdensome and excessive permitting practices is necessary. Increased efficiencies in the Iowa Department of Natural Resources (DNR), coupled with elimination of duplicative regulatory programs, will keep Iowa competitive with other states in retaining, attracting and growing new businesses.

Environmental Protection Funding

Environmental programs benefit all lowans and therefore general fund appropriations should be the primary source of environmental program funding. User fees should be approved by the legislature and used only to supplement general fund appropriations. The resources available for the protection of Iowa's environment are not unlimited and therefore should be utilized in as wise and efficient manner as possible.

Iowa Air Quality Program

ABI believes good air quality is a benefit to all lowans and makes Iowa a more attractive place to live and do business. All lowans contribute to and benefit from air quality and therefore general fund appropriations should be the primary source of air quality funding. ABI opposes excessive fees that unfairly discriminate against industry versus other users. ABI believes Iowa's air quality can best be protected by focusing the resources of DNR on significant air emission sources and demonstrated air-quality concerns. Ongoing evaluations and improvements are needed in DNR's air permitting programs to streamline the permitting process and reduce unnecessary costs to industry. Special emphasis should be given to eliminate the need to revise permits due to changes in minor design parameters. Special emphasis should also be given to minimize dispersion modeling.

Iowa Water

ABI believes that accessible and safe water is a benefit to all lowans and makes Iowa a more attractive place to live and do business. ABI promotes legislative remedies that do not put business and industry at a competitive disadvantage regionally or nationally. Iowa's water quality program should be modified to address the principal sources of water degradation in the state using sound scientific data. ABI recognizes that water is an important resource and its availability is important to all lowans. Therefore, ABI supports statewide water use planning that addresses the interests of all lowans. ABI opposes excessive fees that unfairly discriminate against industry versus other users. Because Iowa's water resources are owned by the citizens and the uses are to benefit all lowans, water resource planning and adequate staffing should be funded through general fund monies. ABI supports the retention of state authority over water quality programs. ABI supports timely issuance of permits by the Department.

Flow Control

ABI opposes legislation that would regulate the flow control of solid wastes. Flow control violates the free market concept, makes solid waste service more expensive, does not increase environmental protection, and provides for an increased potential of Superfund liability.



Resource Management

Recycling of waters, by-products and reducing solid waste are important to Iowa's environment. ABI believes the state and federal government should support with attainable goals, incentives, education and technical assistance, waste reduction, waste minimization, composting, waste-to-energy facilities, and recycling activities that are cost-benefit justified. The state and federal government should eliminate environmental policies that limit such incentives.

Community Enhancement

ABI believes the image of our neighborhoods, communities and the state reflects on our ability to both attract and retain economic development opportunities and builds pride and respect by residents and visitors where we live, work and play.

Floodplain Management

ABI supports a reasonable resolution of floodplain management utilizing sound science while maintaining economic development.

Global Climate

Climate change as a global environmental issue is best addressed at the international and federal level utilizing sound science and current data. ABI cautions against state and regional regulation and mandates that put Iowa business and industry at a competitive disadvantage. State and federal climate policies must be complementary and invigorate Iowa business and industry.

ABI will continue to advocate for incentive policies that help position Iowa business and industry as leaders with significant competitive advantages in energy efficiency and clean technology.



Tax

Mission Statement

To advocate for changes in Iowa law that will lead to business growth in Iowa. ABI favors continued efforts to reduce the overall tax burden in Iowa. There is a need for consistency and stability in government taxation. Iowa must live within its means to deliver better quality service for less cost, be accountable and continue to operate under a full accrual accounting basis. As guideposts for any tax system, ABI supports equity, simplicity, predictability, and government accountability.

Streamlining State and Local Government

Iowa taxpayers shoulder the expensive burden of supporting too many government entities, creating excessive bureaucracy and inefficiency. Iowa is 11th in the country when it comes to percentage of population employed by state and local governments, while Iowa ranks 30th in population. ABI supports enabling legislation that encourages and allows the elimination or sharing of services and/or merger of government subdivisions and programs to create a more accountable and cost effective delivery of government services.

ABI supports eliminating state legal barriers that hinder the ability of governmental units to better manage expenses and restructure governmental services.

Accountable Government

Responsible fiscal policymakers in government employ the standards and criteria necessary to produce affordable, accountable and sustainable budgets that Iowa taxpayers can rely on year after year. ABI supports a sound budget development process that does the following:

- Avoids the use of non-recurring funding sources for on-going expenses.
- Avoids implementing new unbudgeted programs in the middle of a fiscal year.
- Avoids multi-year accelerating commitments that create “built-in” budget increases.
- Avoids new automatic, or “standing,” appropriations that evade annual legislative review.
- Accurately determines revenues and expenses.
- Aligns expenses in the year they will actually be spent.
- Avoids shifting of program funding to property taxes or fees.
- Avoids diversion of funds statutorily authorized for a specific objective to other purposes.

Sales Taxes on Processes

ABI supports clarification that all sorbents and effluent treatment services used in the manufacturing process are exempted from sales tax.



Sales and Use Tax Expansion

ABI is opposed to any statutory or administrative interpretation resulting in an expansion of the sales and use tax base or rate, including any effort to increase sales and use taxes related to service transactions, business inputs and tangible and intangible personal property.

Local Option Taxes and Fees

ABI opposes expansion of local option taxes and fees, including franchise fees. ABI supports increased transparency with regard to local taxes and fees.

Federal Coupling

ABI supports simplicity in the tax code and timely automatic coupling to the federal tax code.

Single-Factor Apportionment Income Tax

One of our most important business tax incentives to attract new and retain existing business and industry is the single-factor formula for apportioning taxable income of businesses. This single-factor formula is an inducement for businesses to enlarge payrolls and property investment in Iowa and to expand their sales outside of Iowa. ABI is opposed to any erosion of the single-factor formula and supports the extension of the benefit of the single-factor formula to all pass-through entities.

Income Tax Reform

Iowa's income tax system with its complexity and high rates establishes an unfavorable economic and business climate when compared with surrounding states. ABI supports efforts to make Iowa's tax system more competitive while retaining provisions that encourage economic growth and job creation; such as those described in "Iowa Tax Reform Options". Any tax reform options must be revenue neutral for the state of Iowa and should not shift tax burdens among income classes and should lower rates and simplify compliance for the broadest possible spectrum of business taxpayers. ABI supports legislation that will reduce Iowa's individual and corporate income tax rates and complexity.

Small Business Income Tax

The majority of Iowa businesses pay income taxes at the individual level; therefore, ABI opposes any measures which would increase taxes on small business.

Tax Equity

ABI supports tax policies that treat similarly situated competitors the same.

Property Taxes

While some progress has been made, ABI continues to support legislation that further reduces commercial and industrial property taxes to make Iowa more competitive for job creation, retention and attraction. ABI supports the development of a simplified property tax system based on actual value and usage of the property. The system should provide adequate safeguards to prohibit spikes in rates and assessment, and should not rely on new taxes and fees.

In order for property tax reform to be successful, the Legislature must establish a clear set of priorities to be funded by property taxes. Generally, most property taxpayers believe that property taxes should pay for services directly related to their property such as: fire protection, public safety and road maintenance.

ABI supports making permanent the Property Tax Assessment Appeal Board.

Combined Reporting/Unitary Taxation

ABI supports Iowa's fair and reasonable separate entity reporting structure for corporate income tax reporting and opposes any mandatory combined or unitary tax methodology.

Moving from separate entity reporting to combined unitary reporting is a major structural tax change. The consequences of such a change add complexity to an already complex tax system and may lead to costly litigation. Additionally, combined reporting should not be considered as a means to increase general fund revenues since it is entirely possible the state could experience a revenue decrease.

Research and Development Tax Credit

ABI supports legislation that will permanently permit an Iowa taxpayer to either continue calculating the research and development tax credit, including refundability as is currently allowed, or utilizing the most current alternative method that is available to the federal taxpayer.

Workplace and Product Safety

Mission Statement

It is in the best interest of Iowa businesses to have safe workplaces and make safe products. ABI members are nationally recognized for their workplace safety programs and products because of employers' innovation and investments. ABI advocates for responsible and cost-effective results in the areas of occupational safety, workers' compensation and product safety.

Workers' Compensation

Workers' Compensation Direction of Medical Care

ABI supports Iowa's current system of employers' direction of medical care for work-related injuries and recognizes employees' existing right under Iowa law to request alternate medical care.

Interest Rates

The rate of interest applied on past-due benefits should be reduced from a fixed statutory rate of 10% to a rate commensurate with market rates.

Permanent Total Disability

ABI believes in order to recover permanent total disability benefits (PTD) the employee must show that as a result of the injury gainful employment cannot be performed.

Causation

ABI supports legislation to require an employee to prove that work was the predominant factor in causing or aggravating an injury or condition.

Apportionment (Pre-existing Condition)

ABI believes an employer should be liable only for the disability added by the current work injury.

Scheduled Injuries

ABI supports preserving the current Workers' Compensation system of scheduled injuries.

Industrial Disability/Wage Loss

Industrial disability benefits should not be payable unless there is actual wage loss.

Stay of Judgment

ABI supports legislation providing that payment of a workers' compensation award cannot be required until completion of judicial review.

Commutation

Commutation, Iowa Code Section 85.45, should only be granted upon agreement of all parties.

Independent Medical Examinations (IME)

ABI supports establishment of a policy that addresses the existing exorbitant fees for IMEs and promotes consistent and fair pricing for the same.

Credit for Overpayments

ABI supports legislation providing that the employer is entitled to full credit for any overpayment of benefits.

Tinnitus

ABI supports legislation to require any claim for tinnitus (ringing in the ear) be part of a claim for hearing loss or occupational hearing loss and not industrial disability.

Claims Investigation

ABI supports prompt and accurate investigation requiring a duty of an employee to cooperate prior to claims acceptance and throughout the duration of the claim.

Fairness of Process

ABI supports full disclosure by all agency personnel to all parties involved in contested case procedures of any involvement relating to proposed workers' compensation legislation.

Piecework Exception

ABI supports retention of the piecework exception for computation of temporary partial disability benefits.

Workplace Safety

Safety Audits

ABI believes that business and industry should be allowed to perform safety self-audits without fear that the audit results might be used in legal actions. ABI supports the adoption of state and federal legislation that would similarly provide immunity from penalty and protect a company's self-evaluation as privileged information.

IOSH Consultation Services

ABI supports Iowa Occupational Safety and Health (IOSH) placing a high priority on cooperative initiatives, training, and education prior to implementation of new regulations. Cooperative voluntary programs, and their elements, such as the Voluntary Protection Program (VPP), Safety and Health Achievement Recognition Program (SHARP), as well as full utilization of consultation, are an effective and important part of assuring worker safety and health.

Iowa Occupational Safety and Health Administration (IOSHA)

ABI supports IOSHA as the lead regulatory agency dealing with occupational safety and health issues and enforcement of IOSHA standards where worker safety is the predominant concern free of **inconsistent or incorrect** interpretations and agency policies that are negative to Iowa's business climate. ABI advocates that state IOSHA legislation, regulations, policies, and practices be no more stringent than federal legislation, regulations, policies, and practices. ABI supports strengthening employer citation defense relative to employee misconduct.

Drug Testing

ABI believes that drug and alcohol free workplaces are essential to the health and safety of all Iowans. Therefore, ABI supports continuous clarification and refinement of Iowa laws and regulations to allow employers to implement drug testing policies that include the use of any scientifically sound methods of testing and reasonable methods of notification and compliance. ABI further encourages premium incentives to employers who implement drug testing programs.

- **Medical Marijuana**

As Iowa considers allowing the expanded use of medical cannabidiol and medical cannabis, employers must be able to maintain drug free workplaces, particularly when state and federal laws conflict.

- **Prescription Drug Abuse and Reform**

ABI recognizes the serious negative effects opioid misuse can have on the health and safety of employees and workplaces. ABI supports efforts to reduce opioid abuse and educate the public, employers and employees about the dangers of prescription opioid abuse.

Tort Reform

Punitive Damage Reform

ABI believes punitive damages are designed to punish defendants and general damages compensate plaintiffs for injuries suffered. Furthermore, ABI believes that:

- in order to be awarded punitive damages a plaintiff must establish that the defendant's actions showed actual malice, not negligence or gross negligence.
- a defendant should be found liable for punitive damages for a particular act or omission only one time.
- if requested by any defendant, actions involving punitive damages should be bifurcated for separate trial.
- contingency fees for attorneys should not be awarded on the punitive damage portion of an award.
- a reasonable dollar limitation should be established applicable to punitive damages in all civil cases.

Non-Economic Damages

ABI supports the establishment of a reasonable dollar limitation applicable to non-economic damages in all civil cases, including but not limited to those associated with medical liability. Non-economic damages include, but are not limited to: pain and suffering, loss of consortium, and loss of chance.

ABI believes the current non-economic damages recoverable in wrongful death actions should not be expanded.



Products Liability

ABI believes a negligence standard should be applied to a cause of action against a manufacturer for alleged design defects or failure to warn.

ABI believes manufacturers, distributors and sellers should not be liable for the misuse, alteration of, or failure to properly maintain a product.

ABI supports a presumption that manufacturers and sellers should not be liable for use of a product that has been deemed in compliance with any applicable government safety standard whose approval is required for the product to be placed on the market.

ABI believes that evidence of design changes subsequent to the date of manufacture of the product should not be admissible.

Joint and Several Liability

ABI believes that defendants should be liable only for their share of damages, and that joint and several liability should be eliminated for economic damages, just as it is for non-economic damages.

Proximate Cause

ABI supports restoration of the traditional definition of proximate cause, which requires that the alleged act be a 'substantial factor' in causing the harm, overruling the Iowa Supreme Court's decision in *Thompson v. Kaczinski* (November 13, 2009).

Frivolous Litigation

ABI supports stronger enforcement of the Iowa Rules of Civil Procedure to require plaintiffs, and their attorneys, who pursue frivolous litigation to reimburse defendants for defense costs associated with such litigation.

Subrogation

Subrogation suits should be required to be brought in the name of the current owner of the claim, rather than in the name of the insured.

Insurance Fraud Bureau Funding

ABI supports increased awareness of the Insurance Fraud Bureau and adequate funding levels for proper investigation of fraudulent workers' compensation claims.

Historic Legislative Victories

Employers' Direction of Medical Care in Workers' Compensation _____	1913
Federal Deductibility for State Income Tax _____	1934
Single-Factor Formula for Corporate Income Tax _____	1934
Right to Work _____	1947
Clean Air Act _____	1980
Hazardous Waste Facility Siting _____	1981
Hazardous Waste Management Act _____	1981
Taxpayers' Bill of Rights _____	1994
Sales & Use Tax Exemption on Machinery, Equipment & Computers _____	1996
Created Occupational Hearing-Loss Standards _____	1996
Work Comp Limitations for Out-of-State Injuries _____	1997
Brownfields Redevelopment _____	1997
Limited Liability for Employer References _____	1997
Insurance Fraud Bureau Created _____	1997
Product Liability / Tort Reform _____	1997
Drug-Free Workplace Testing _____	1998
Environmental Self Audit _____	1998
Unemployment Insurance and Voluntary Quits _____	1998
Occupational Hearing Loss in Workers' Compensation _____	1998
Airplane Registration Fees Reduction _____	1998
Unemployment Insurance Employer Experience Transfer _____	1999
Economic Development Tax Credits _____	1999
Internet Access Tax _____	1999
Argon Gas Tax Elimination _____	1999
Iowa Air Quality Program Funding _____	1999
Unclaimed Property Audits _____	2000
Research & Development Tax Credit _____	2000
Accelerated Career Education Program for Job Training _____	2000
Electric Utility Plant Siting _____	2001
Unclaimed Property Business-to-Business Exemption _____	2001
Venture Capital Investment Incentives _____	2002
Subchapter S Income Tax Reform _____	2002
Insurance Premium Tax Reduction _____	2002
Workers' Compensation Apportionment of Prior Benefits _____	2004
Supersedeas Appeal Bond Reform _____	2004
Unemployment Compensation Administrative Surcharge Repeal _____	2004
Grow Iowa Values Fund Created _____	2005
Limited Liability for "Failure to Warn" Claims _____	2005
Electronic Payroll Deposit _____	2005
Renewable Fuel Standards _____	2006
Senior Income & Social Security Tax Cut _____	2006
Apology by Professional Inadmissible in Civil Lawsuits _____	2006
Association Health Plans/Wellness Initiatives _____	2007
Transportation Investment Moves The Economy In The 21st Century _____	2008
Iowa Partnership for Economic Progress _____	2011
Commercial and Industrial Property Tax Rollback _____	2013
Education Reform for A Global Workforce _____	2013
Broadband Expansion _____	2015
Sales and Use Tax Exemption for Supplies Used in Manufacturing _____	2016
Career and Technical Education Reform _____	2016

Please contact ABI for more information about these and other ABI legislative victories.

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