

# The Voice of Iowa Business



*Iowa Association of  
Business and Industry*

**2019**

**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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# 2019 Legislative Priorities

The Iowa Association of Business and Industry is proud to have served as the Voice of Iowa Business since 1903. ABI is a member-driven organization and its legislative priorities reflect the goals of business and community leaders across Iowa.

Iowa is the number one state, according to U.S. News & World Report, and ABI members want to help Iowa stay on top. The 2019 legislative priorities are opportunities for Iowa and ABI to continue **Building on the Best**.

## Workforce

As the organization that represents 1,500 member companies that employ more than 330,000 working Iowans, we understand the importance of a qualified workforce and a robust talent pipeline.

- ABI supports implementation of the Future Ready Iowa legislation that was passed in 2018. ABI supports the Legislature focusing on work-based learning opportunities and expanding career and technical education offerings to students at all levels. ABI encourages the Legislature to continue support of programs that have been successful to address the workforce shortage, such as Home Base Iowa and Elevate Advanced Manufacturing.
- Unemployment Insurance – Challenges with Iowa’s unemployment insurance benefit system discourage individuals from obtaining full-time employment and must be addressed.
- Workforce Housing – As Iowa companies continue to hire individuals throughout the state, more workforce housing is needed. ABI supports expanding the workforce housing tax credit program to provide rural communities access to development/redevelopment.

## Competitive Business Climate

ABI looks for ways to support a competitive business climate and ensure a rock solid foundation for businesses to grow and expand. ABI supports:

- Broadband internet connectivity and access. ABI supports investment in Iowa’s broadband and Internet Protocol (IP)-enabled services.
- A business-friendly tax system that creates clarity and consistency for Iowa businesses.

## Regulatory Reform

ABI members work to comply with many regulations at the local, state and federal level. Continual review of existing regulations is necessary to spur economic growth. ABI supports legislation and policies that are no more stringent than the federal government and that:

- Streamline environmental permitting requirements, reducing cost and time for businesses and the state.
- Reduce complexity and provide for efficient compliance with the state tax code.
- Eliminate outdated policies that hinder small business expansion.

# 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 equitable economic growth efforts to improve business and community development programs and foster an environment for new and existing businesses to succeed and invest throughout urban and rural Iowa, 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 safe and reliable public infrastructure
- Streamlined government

## Adequate and Affordable Housing

ABI recognizes the importance of adequate and affordable housing in growing our state's economy and workforce. We support private and public partnerships, policies and incentives that will help communities develop strategies and solutions for housing construction, associated infrastructure and rehabilitation.

## 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 effective 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. ABI supports those tax credits, exemptions and incentives that encourage business growth and job creation and retention. 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 adequate funding for job training programs at levels necessary to leverage Iowa's competitive advantage for job skills training.

- **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 Enhancement and Development**

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. 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, workforce housing, infrastructure and business development incentives.

- **Research and Development**

ABI strongly supports investment in research and development through workforce, technology and supplying 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 — which will result in increased productivity — should include:

- Air service
- Highway infrastructure
- Pipeline
- Rail services
- Waterway infrastructure
- Intermodal container availability
- 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, that are 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 state and federal funding 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 modernization of Iowa air passenger terminals.

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 economy 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 and increased transmission capacity and the promotion of efficient use of energy, while avoiding mandates.

## **Entrepreneurial Growth**

ABI supports and works in collaboration with the state, universities, colleges, communities, the private sector and capital sources to drive 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 state requiring all public agencies to demonstrate consideration of private sector services instead of the use of public services. ABI supports the practice of the government submitting requests for proposals in subcontracting of appropriate public

services to the private sector 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**

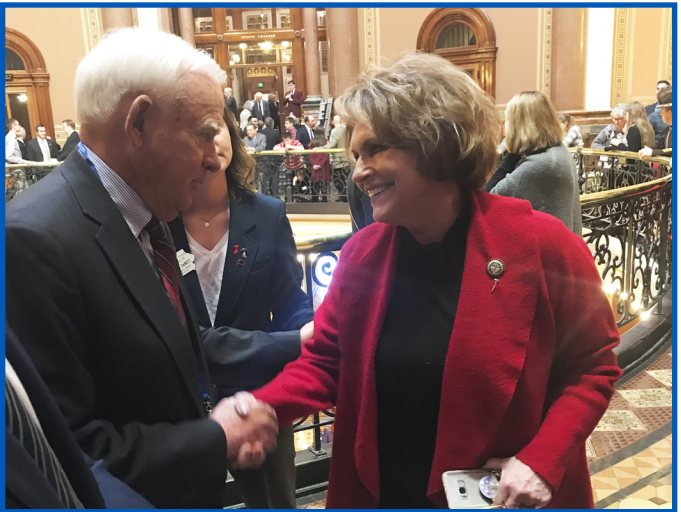
ABI supports an economic strategy that balances retention and growth of existing businesses with the recruitment of new businesses, and emphasizes workforce attraction throughout Iowa.

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.

## **Removing Legal Obstacles to Business and Streamlining Regulations**

ABI supports the simplification, streamlining and modernization of Iowa laws and regulations that act as an impediment to business growth. For example:

- Current laws specific to notification requirements for public and private construction projects are an impediment to Iowa businesses. This presents a competitive disadvantage to some Iowa companies and causes excessive administrative burdens.
- Iowa's current notarial act requires the personal, physical appearance of an individual before a notary. Other states allow a notary public to verify through electronic means an individual's identity, increasing efficiency in transactions such as real estate closings.
- Current statutorily required processes limit the Iowa Alcoholic Beverages Division's (ABD) ability to modernize the agency's structure to meet the demands of businesses across the state. Additionally, current policies hinder small Iowa liquor and wine manufacturers from competing.





# 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 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, 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.

## Iowa Education

Iowa must continually improve its educational system—at all levels (PK-20)—to recapture leadership status among the states. ABI supports appropriate funding for K-12 education and for opportunities that will ensure students are prepared to compete in a global economy and build foundational employability skills. Appropriate funding should be tied to performance-based metrics and statewide accountability standards.

ABI supports educational programs, economic incentives, skills development strategies and recruiting initiatives such as Elevate Iowa, Future Ready Iowa and the Iowa Science, Technology, Engineering and Mathematics (STEM) initiative to build a robust talent pipeline while promoting job growth and workforce retention in Iowa. In addition, ABI supports K-12 and post-secondary career and technical education (CTE) reform implementation.

## Unemployment Compensation

- **One-week Waiting Period**

As one of only 10 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. ABI supports a review of the unemployment compensation tax tables to ensure Iowa businesses are being appropriately taxed.

- **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%
- 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
- Disqualifying benefits due to failed drug or alcohol tests
- Disqualifying benefits due to any compensation or pay, regardless whether payment is pursuant to an agreement with the 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, the expansion of new protected classes or the creation of more lenient proof standards for claimants. ABI also supports aligning the Iowa Civil Rights Act with the Federal Civil Rights statutes, including recovery (non-economic damages and attorneys' fees) and evidentiary standards.

## Wages

ABI believes wages are driven by market forces of supply and demand, and Iowa businesses are operating in an environment where there is strong competition for a qualified workforce and low unemployment.

- **Prevailing Wage**

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

- **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.

## **Public Sector Employment**

ABI supports public employment compensation and benefits that 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.

## **Health Care**

ABI supports a consumer-driven, more predictable, 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

## **Health Insurance Reform**

ABI supports changes to the Affordable Care Act to promote greater efficiencies and affordability, including the following:

- Providing more flexibility for states to develop innovative solutions tailored to their specific conditions
- Minimizing additional costs for employers
- Maintaining sufficient business flexibility to adapt to a new environment
- Ensuring 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 and to avoid shifting health care costs onto employers.

## **Health Insurance Mandates**

ABI opposes the establishment of health care benefit mandates, which require Iowa employers to contribute to the health insurance premium cost for full- and part-time employees. Because employers are in the best position to determine what health care benefits they can afford and that serve the needs of their employees, ABI further opposes mandates requiring employers to cover specific services, providers and products beyond those required by the federal law.

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.

# 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 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 that improves the quality of life for all Iowans.

## 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 and use risk/benefit criteria (fiscal, health and environment) in the review of existing and new environmental programs. 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. State and federal government should also achieve regulatory compliance primarily through cooperative agreements and assistance rather than enforcement. 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 and Operations

Environmental programs benefit all Iowans 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. Therefore, they should be utilized in as wise and efficient a manner as possible.

ABI supports innovative approaches to processes and periodic review of agency operations to ensure efficiency and utilization of public-private partnerships when possible.

## Iowa Air Quality Program

All Iowans contribute to and benefit from air quality. Therefore, general fund appropriations should be the primary source of air quality funding, especially for those Air Quality Bureau (AQB) activities that do not directly relate to industry emissions. ABI opposes excessive fees that unfairly discriminate against industry versus other sources of emissions in the state. ABI believes Iowa's air quality can best be protected by focusing the resources of the DNR on significant air

emission sources and demonstrated air quality concerns. Ongoing scrutiny of non-mandatory activities and process improvements is needed in the 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.

ABI supports the retention of state authority over air quality programs provided the scope of federal requirements is not exceeded and the AQB abstains from creating and administering unneeded projects and programs.

### **Environmental Stewardship**

Recycling of waters and by-products and reducing solid waste are important to Iowa's environment. ABI believes the state and federal government should support through 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. ABI supports innovative approaches to long-term environmental sustainability for the whole waste stream.

### **Floodplain Management**

ABI supports a reasonable resolution of floodplain management utilizing sound science while maintaining economic development. ABI supports timely issuance of permits by the department.

### **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 Committee

## 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 ninth in the country when it comes to percentage of population employed by state and local governments. 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 ongoing 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 and Use Tax

ABI supports state implementation of the collection of sales taxes by remote sellers as decided by the U.S. Supreme Court in *South Dakota v. Wayfair*. However, 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. ABI supports the exemption of all business inputs used in the manufacturing process, including sorbents and effluent treatment services.

## 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 rolling coupling, which will make Iowa's tax code automatically tied 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**

While progress has been made, ABI continues to support efforts to make Iowa's tax system more competitive while retaining provisions that encourage economic growth and job creation. Any tax reform 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 that would increase taxes on small business.

## **Tax Equity**

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

## **Property Taxes**

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. ABI supports contingency-based elimination of the state property tax backfill to local governments.

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.

## **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.

### Maintain Iowa's Workers' Compensation Reform

ABI spearheaded legislation in 2017 that made much-needed changes to Iowa workers' compensation law to bring the system back into balance. The legislation resulted in an immediate workers' compensation rate decrease for Iowa companies. These changes must be preserved and fully implemented to protect the workers' compensation system and keep Iowa competitive with other states.

### Permanent Total Disability

ABI believes 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 supports preservation of current law that an employer should be liable only for the disability added by the current work injury.

### Scheduled Injuries

ABI supports preserving the current law regarding scheduled injuries. ABI supports development of an expedited hearing schedule for scheduled member injuries.

### Industrial Disability/Wage Loss

ABI supports preserving the current law that industrial disability benefits should not be payable if the employer offers work after the employee reaches maximum medical improvement with no loss of earnings.

### Tinnitus

ABI supports legislation that requires 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 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 impact opioid misuse can have on the health and safety of employees and workplaces. ABI supports efforts to reduce opioid misuse, abuse, and addiction and to educate the public, employers and employees about the dangers of the same. Further, ABI supports reasonable restrictions on any prescription such that employee needs are accommodated but controls are put in place to prevent misuse, abuse and addiction.

- **Synthetic Urine**

ABI supports legislation to ban the sale of synthetic urine in the state of Iowa.

## **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:

- 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.

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 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 for proper enforcement of the current law regarding 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
Workers' Compensation Reform _____	2017
Statewide Preemption of Wage and Employment Issues _____	2017
Future Ready Iowa _____	2018
Final Stage Manufacturer Titling Reform _____	2018

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