

# MINUTES

of the

## STUDIES COMMITTEE OF THE LEGISLATIVE COUNCIL

August 14, 1984

The meeting of the Studies Committee of the Legislative Council was called to order by the Chairman, Senator Lowell L. Junkins, at 10:46 a.m., Tuesday, August 14, 1984, in Committee Room 22 of the State House, Des Moines, Iowa. Committee members present in addition to Chairman Junkins, were:

Senator C. W. (Bill) Hutchins  
Senator Charles P. Miller  
Representative Donald D. Avenson  
Representative Jean Lloyd-Jones  
Representative Lester D. Menke  
Representative Lowell E. Norland  
Representative Richard W. Welden

Also present were Mr. Burnette E. Koebernick, Senior Legal Counsel, Legislative Service Bureau, Mr. Serge H. Garrison, Director, Legislative Service Bureau, a number of legislative staff persons, representatives of the news media, and other interested persons.

Chairman Junkins stated that the minutes of the July 10, 1984 meeting have been distributed and asked for corrections or additions to those minutes. Representative Lloyd-Jones moved that the minutes be approved as distributed and the motion was adopted unanimously on a voice vote.

Senator Junkins stated that the Studies Committee has on file a request from the Legislative Fiscal Committee for an interim study committee to address the recommendations set forth in the Legislative Fiscal Bureau's program evaluation of Area Education Agencies to determine if any corrective legislation is needed. Senator Hutchins moved that the request for a study be deferred. The motion was adopted unanimously on a voice vote.

Chairman Junkins stated that the leadership of the Senate and House has met and discussed the appointment of citizen members to the Economic Development Study Committee. The citizen members

include Mr. David Neil, Mr. Jim Wengert, Mr. Brice Ashman, Mr. John Scott, Ms. Suzie Darland, Mr. Gary Owens, and Dr. Neil Harl. Chairman Junkins stated that prior to making the appointments, the joint leadership had received a number of recommendations from various interest groups which had been contacted. Senator Hutchins moved that the seven citizen members appointed to the Economic Development Study Committee be approved. The motion was adopted unanimously on a voice vote.

Chairman Junkins recognized Speaker Avenson for a Study Committee proposal. Speaker Avenson suggested that there is a need to establish a Non-General Fund Tax Incentive Economic Development Study Committee to review proposals to encourage trade and development for Iowa without impacting the general fund tax base. He noted that such a study could include the use of public utility excess capacity generated energy at reduced rates for encouraging development and that such a proposal had been submitted for consideration of the General Assembly during the last session. He also suggested that the Iowa Department of Job Service has been discussing the feasibility of providing some adjustments in unemployment compensation rates as a basis for encouraging new businesses to start up in this state. He suggested that the creation of a study committee to look at alternative proposals and develop a report for the General Assembly will be beneficial to the state and its residents. Representative Norland suggested that this study committee must identify resources available which can be used or developed as an incentive for economic development within the state. Representative Welden inquired as to whether the study committee would involve the Iowa Development Commission in its deliberations. Speaker Avenson responded in the affirmative. Speaker Avenson suggested that the Non-General Fund Tax Incentive Economic Development Study Committee consist of five members of the Senate and five members of the House and be authorized three meeting days. The motion was adopted unanimously on a voice vote.

Speaker Avenson stated that the leadership of the House and Senate have met regarding the appointment of a chairman for the Recreation-Tourism Study Committee and have agreed to appoint Mr. Gerry Schnepf of the Iowa Natural Heritage Foundation as Chairman of the Study Committee.

Senator Junkins recognized Representative Norland for a report of the Railroad Study Subcommittee. Representative Norland deferred to Mr. John Fuller of the Legislative Extended Assistance Group. Mr. Fuller noted that LEAG has prepared a proposal for a study for the General Assembly. This study would examine:

1. State rail branch-line assistance programs to suggest any elements of programs used elsewhere that might be adopted in Iowa.

2. The operation of Iowa's rail programs to indicate any potential efficiencies which may be achieved.

3. Rail program needs and potential funding sources for railroad assistance.

4. The economic development potential of state and local railroad programs.

5. The relative efficiencies of short-line rail operations as compared to mainline services.

Mr. Fuller pointed out that the proposed budget for this study is \$9,079. Representative Norland pointed out that the General Assembly needs a full evaluation of this program in light of recent court decisions which have removed all funding mechanisms for the Iowa Railway Finance Authority. Representative Norland moved that this study be recommended to the Legislative Council with appropriate budget for the study. (Following the meeting, further discussions were held concerning the amount of the proposed budget and the figure of \$9,079 was reduced to \$7,581.)

Representative Welden inquired as to the current funding level authorized for LEAG projects. Mr. Fuller responded that the current LEAG projects are funded at the level of \$19,000 and that in past years the level of funding has been approximately \$30,000. Representative Lloyd-Jones pointed out that she has talked to representatives of the Iowa Northern Railroad and those officials are concerned about the fact that the Iowa Railway Finance Authority has no funds available. She also noted that those officials pointed out that Michigan is currently funding its railroad program on a 80-20 basis with the state funding at the 80% level. Representative Menke pointed out that the one-month salary provided within the study framework is rather high and objected to that high salary. There being no further discussion, the motion was adopted on a voice vote with Representative Menke and Representative Welden voting in the negative.

Chairman Junkins noted that it will be necessary for a committee to work with LEAG on the railroad study and announced that the committee would consist of Representative Norland as Chairman, Representative Lloyd-Jones, Representative Menke, and Senator Hutchins.

Mr. Fuller also noted that he has had further discussions with the parties providing for the ground water quality assessment of the state and that they have agreed to provide for a one-day session before or after the convening of the next General Assembly to provide their data to the appropriate persons. Representative Welden suggested that the Studies Committee contact the State

Geologist's office to see if this information is already available for members of the General Assembly. Senator Hutchins moved to defer any action on the ground-water quality assessment program until a response is obtained from the State Geologist.

Mr. Fuller also reviewed the progress of current Legislative Extended Assistance Group reports for the members of the Studies Committee.

There being no further business, the meeting of the Studies Committee was adjourned at 11:15 a.m.

Respectfully submitted,

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Senior Legal Counsel