



Attachment C

THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

June 19, 2003

The Honorable Chester Culver
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit **House File 692**, an Act concerning regulatory, taxation, and statutory requirements affecting individuals and business relating to taxation of property, income and utilities, liability reform, workers' compensation, financial services, unemployment compensation, employer surcharges, economic development, and including effective date, applicability, and retroactive applicability provisions.

House File 692 is approved on this date with the following exceptions, which I hereby disapprove:

I am unable to approve the items designated as Divisions II, III, and IV that consists of Sections 44 through 72, in their entirety. These sections would provide for a reduction in personal income taxes. I have repeatedly called on legislative leaders to reform and simplify the Iowa personal income tax code in a manner that would be revenue neutral. I laid out very clear parameters. I specifically told the Legislature I would not sign any personal income tax reduction that jeopardizes our ability to educate our children, provide health care to our senior citizens and families, protect our natural resources, and maintain the public safety.

Instead of reforming our tax system, which is still needed, the Legislature's plan would ultimately cost an estimated \$310 million with no reliable and fair source of state revenue to replace the lost dollars at a time when all sectors of our state, like other states, are adversely affected by the national economic downturn. This would jeopardize the delivery of state services and would severely hinder budget planning in the future. It does not even provide any meaningful tax relief to lower-income Iowans who would receive refunds of between only 3 cents and 50 cents per week under this plan. The cuts in personal income taxes are really nothing more than cuts in services to all Iowans.

I am unable to approve the item designated as Section 99 in its entirety. This section which directs the creation of two technology transfer advisors in the office of the governor. The governor's office performs many functions in a variety of different areas. The present staff is assigned to duties and receives administrative support in a manner that assures the efficient functioning of this office. Section 99 would disrupt the administration of this office and affect the delivery of services to the state. Furthermore, I believe the office of the governor should be able to control the administration of its funds and decide how best to staff its office. Section 99 would diminish this control by imposing on the governor's staffing and administrative decisions.



I am unable to approve the item designated as Section 108, which requires the Department of Economic Development to collect data about companies that considered locating in Iowa but decided to locate elsewhere, in its entirety. Requiring collection of such data would impose an additional burden the Department of Economic Development and its resources and adversely impact the department's efficient delivery of services to the public.

I am unable to approve the items designated as Sections 116-120 in their entirety. The Sections will make it much harder to hold those who hurt others with unsafe products; on particularly egregious conduct, accountable for the harm they cause. I am not persuaded by the argument that Iowa has a poor business climate. Those who advance such an argument discount the work of highly productive Iowa workers and the study prepared by the U.S. Chamber of Commerce ranking Iowa third best liability climate.

I am unable to approve the item designated as Section 121 in its entirety. While I appreciate the need for continued improvement to our workers compensation system to maintain a just and balanced approach, Section 121 overreaches. A worker injured multiple times could be significantly under compensated for his or her injuries under Section 121. Section 121 in its current form destroys the just and balanced approach, which should be our goal.

I am unable to approve the item designated as Division XX that consists of Section 132, in its entirety. Section 132 postpones the phase out of the sales tax on residential utilities passed by the Iowa Legislature in 2001. The utility sales tax cut, as promised in current law, reflected recognition by the legislature that escalating energy costs hit all consumers hard. Postponing the phase out of the utility tax will unnecessarily increase the utility bills of low- and middle-income Iowans, at a time when heating prices are expected to rise dramatically next winter.

I invite the legislature to work in a bipartisan way to reform our income tax system and work for common sense improvements to our civil justice system and workers compensation system.

For the above reasons, I respectfully disapprove these items in accordance with Article 3 Section 16 of the Constitution of the State of Iowa. All other items in **House File 692** are hereby approved as of this date.

Sincerely,



Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

June 19, 2003

The Honorable Chester Culver
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit **House Files 683**, an Act relating to economic development, financial, taxation, and regulatory matters, making and revising appropriations, modifying penalties, providing a fee, and including effective, applicability, and retroactive applicability provisions.

House Files 683 is approved on this date with the following exceptions, which I hereby disapprove:

I am unable to approve the item designated as Section 96, subsection 68, in its entirety. These paragraphs conform the postponement of the phase-out of the sales tax on residential utilities with the streamlined sales tax initiative. I have item vetoed the postponing of this tax cut, so this language is unnecessary. I will recommend language to the next legislature in January 2004 to bring our continued reduction in the sales tax on residential utilities into alignment with the streamlined sale tax initiative.

I am unable to approve the items designated as Division 15 that consists of 206-208 in their entirety. These sections would require the establishment of a parking fee for the State Capitol Complex Parking Structure located at Pennsylvania and Grand Avenues in Des Moines for only those citizens who work for the State of Iowa. I had earlier vetoed similar language in SF 452 because I do not think it is appropriate to charge such fees to citizens who would use this facility to visit the State Capitol. My earlier concern still exists because we should not discriminate against our state employees, who are Iowa citizens. Additionally, since we make free parking available to state employees elsewhere around the State Capitol Complex, creating a system where some state employees are charged a parking fee and other state employees can park for free is not equitable. Therefore, such a fee should not be approved.

For the above reasons, I respectfully disapprove these items in accordance with Article 3 Section 16 of the Constitution of the State of Iowa. All other items in **House File 683** are hereby approved as of this date.

Sincerely,



Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

June 30, 2003

The Honorable Chester Culver
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit House File 614, an Act relating to elections and vote registration by implementing requirements of federal law, creating a planning and implementation committee, modifying closing hours of the polls, and making changes relating to absentee voting procedures, including request and delivery of absentee ballot applications, delivery of absentee ballots to the vote, and delivery of completed absentee ballots to the county commission of elections, and including effective date provisions.

The federal Help America Vote Act of 2002 (HAVA), a sweeping election reform package passed by the U.S. Congress with strong bipartisan support in response to problems with the 2000 presidential election, is intended to help Americans vote. It sets specific requirements related to provisional balloting, voting equipment, disability access, statewide voter registration databases, and voter identification. It is about improving voting technology, upgrading election official training, and providing for voter education. It is not about purely partisan political gain by one political party or another or about making it more difficult for our citizens to vote.

By extension and logic, any state bill to adopt provisions of the new federal law should not be more restrictive. Doing so violates the objective and spirit of HAVA – making it easier to vote. Instead, the Republican Legislature insisted on making HF 614 a partisan bill that makes it harder, not easier, to vote. Closing the polls earlier and putting restrictions on absentee ballots are inconsistent with the federal law.

When we live in a state and country where less than 50 percent of eligible voters are registered to vote and less than 50 percent of those registered actually make an effort to vote, I believe we should be examining ways to make it easier for our citizens to participate in the election process. As President John F. Kennedy said, "The right to vote in a free American election is the most powerful and precious right in the world."

My office made every conceivable effort to convey to the Legislature my concerns about HF 614. Over the two-to-three months leading up to the 2003 Special Session, I made it clear, in my private conversations with the legislative leaders and in my public statements, that the Legislature should not pass a bill that is more restrictive on the ability of citizens to vote than the federal HAVA and that does not appropriate the necessary state matching funds to obtain federal funds to help implement the new federal voting requirements.

Iowa could receive up to \$35 million in federal funds to implement HAVA. No state match is required on the first \$5 million, which Iowa has already received, and Iowa is required to



put up a state match of \$1.5 million in order to receive the balance of up to \$30 million over three fiscal years. I am particularly dismayed that the Republican leadership did not have the foresight and common sense to appropriate state matching funds in HF 614 or elsewhere for the state to qualify for additional federal funds. The Legislature should have appropriated those funds rather than create an unfunded federal mandate for counties. This is shortsighted and will necessitate a supplemental appropriation next year. At a time when Iowa, like every other state, is experiencing declining revenues from the national economic recession, the Legislature should be concerned about leveraging federal dollars.

Many of the arguments raised by supporters of HF 614 are apparently based on concerns about Iowa's voting system. Like most Iowans, I believe those concerns are unfounded. We in Iowa can be proud of a system that is fair, lawful, and provides clean elections. In fact, a Des Moines Register poll last November indicated that most Iowans trust our voting system, with 29 percent giving the system the highest possible score and another 54 percent rating it just slightly less positively.

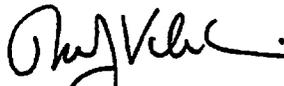
I do not support Section 3 that prescribes an entirely new state plan advisory committee to be appointed by the Governor with confirmation by the Senate. This new committee will most likely not be able to meet the state and federal publication and comment requirements and have a plan completed by September 30, 2003, as required in order to obtain federal funds. A State planning advisory committee has already been meeting since February 28, 2003, to prepare a state plan. This plan has been completed, published, and is currently receiving public comment.

I do not support Section 20 that, in part, reduces Iowans access to voting by closing the polls at 8:00 p.m. rather than the current 9:00 p.m. In the 2002 general elections, it is estimated that over 5,000 additional Iowans voted during the last hour. Why make it more difficult for so many of our working Iowans and working single mothers - for instance, those who may not be able to vote early in the morning - to vote. We should not.

I do not support Division II that places, in part, unnecessary restrictions on absentee voting. The Division reduces the time period during which a registered voter can request an absentee ballot to only 70 days before the election. This restriction would make it more difficult for our senior citizens and others to vote. During the summer of 2002, for instance, over 50,000 Independent, Republican and Democratic voters requested absentee ballots for the 2002 General Election. Under HF 614, those applications would have been returned without an absentee ballot. Additionally, this Division establishes an absentee ballot courier who is authorized to deliver absentee ballot applications to applicants. This provision places additional financial burdens on counties to train the couriers, which I believe is unwise.

For the above reasons, I hereby respectfully disapprove House File 614.

Sincerely,



Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House