Cities across the state value...

Local Control
Home Rule is the flexibility to make local decisions at the local level—where decisions are made closest to the people they impact and can be tailored to fit unique conditions, needs, and concerns free from state interference.

Public Safety
Safety is essential to the health and vitality of communities. Cities must have the resources, tools, and technology to provide appropriate public safety services for their communities and citizens.

Infrastructure
Iowa’s infrastructure is in need of repair and upgrade. It is vital that cities have the resources to meet the infrastructure, technological, and human needs necessary to connect, transport, and grow.

Financial Stability
The commitment to reimburse local governments for lost resources due to state action, such as commercial and industrial property tax backfill, must be maintained to prevent an increased burden on property tax payers or a reduction in city services. Mandates imposed on local governments must include appropriate funding mechanisms. Local governments need diversified revenue options that are fair and related to cost drivers.

Economic Development
Maintaining economic development tools, such as Tax Increment Finance, as flexible tools for economic growth in cities of all sizes is vital to the success and advancement of the State of Iowa and its economy. Iowa needs more tools and funding to promote quality of life, community vitality, economic development, and to address housing needs.

Like our membership, the Iowa League of Cities is a non-partisan, non-profit organization that does not participate in elections, make campaign contributions, or have a political action committee (PAC).

Selected Iowa Code Chapters Impacting Cities
21: Open Meetings
22: Open Records
26: Public Construction Bidding
364: Powers and Duties of Cities
368: City Development
372: Organization of City Government
376: City Elections
380: City Legislation
384: City Finance
388: City Utilities
400: Civil Service
403: Urban Renewal
403A: Municipal Housing Projects
404: Urban Revitalization Tax Exemptions
404A: Historic Preservation
405: Assessment of Property for Housing Development
411: Municipal Fire and Police Retirement System
414: City Zoning
415: Flood Mitigation Program
420: Special Charter Cities
573: Labor and Material on Public Improvements
657A: Abandoned or Unsafe Buildings
670: Tort Liability of Governmental Subdivisions
MAC Discussion of 2020 Legislative Issues

that will impact MAC members

Tuesday, December 10, 2019

1. Key Dates for 2020 legislative session
   a. Monday, January 13---First day of legislative session
   b. Tuesday, January 14—Governor Reynolds State of the State message and release of state budget
   c. Tuesday, February 11—MAC meeting at the State Capitol
   d. Friday, February 21—First Funnel deadline
   e. Tuesday, March 10—MAC meeting at the State Capitol
   f. Friday, March 20—Second Funnel deadline
   g. Tuesday, April 21—100th day of legislative session; last day that legislators receive per diem

2. Local Government Affirmative Legislative Priorities
   a. Support additional funding for adult and children’s mental health services
      i. Current funding system causes shortages of funding in certain mental health regions, especially Polk County/Polk County Health Services
      ii. Lack of resources for Polk County Health Services puts greater burdens on local law enforcement
   b. Support additional resources for regional entities and local governments to fund upgrades to drinking water and wastewater treatment facilities
   c. Support additional funding to support community efforts to enhance affordable workforce housing
      i. Workforce Housing Tax Credits for large and small communities
      ii. Additional funding for Local Housing Trust Funds
   d. Support legislation allowing for imposition of hotel/motel tax on stays up to 90 days—current law limits it to 30 days
   e. Look for opportunities to support legislation that:
      i. provides more flexibility for local governments in contracting for building construction or remodel
      ii. local governments more tools to regulate problem liquor licensees
      iii. provides enhanced immunity for local government, i.e. frivolous lawsuits
3. Issues of Potential Concern to Local Governments
   a. Oppose any legislative effort to reduce property tax backfill funding to local
governments
   b. Oppose any effort to weaken local governments use of important economic
development tools, including TIF
   c. Oppose any changes that negatively impacts Iowa’s property tax system.
   d. Oppose efforts to reduce a local government’s home rule authority, including:
      i. Legislation limiting the use of automated traffic enforcement (ATEs)
      ii. Legislation limiting a local government’s ability to hire lobbyists
      iii. Legislation that limits a city’s ability to regulate electronic scooters
      iv. Legislation to limit a city’s ability to place regulations on rental properties
      v. Legislation that place restrictions on an ability to remove a member of a
         municipal utility board member

4. Issues to Monitor
   a. Waterloo ban the box ordinance on private employers
   b. Legislative efforts to fund major community attractions
Note – Des Moines has proposed an ordinance change that will regulate Short Term Rentals (STR). That ordinance is currently going through the public hearing process (effective January 1st, 2020), and will also likely have amended changes applied in the spring of 2020. Below are criteria surrounding the issue, followed by the proposed MAC ordinance.

The *Proposed Des Moines Short-Term-Rental (STR) Ordinance*:

- 120 days/year maximum rental – non-owner occupied
- Unlimited days/year – owner occupied
- 10% maximum of units in multi-family units
  - Tenant must have building owner’s approval
- Need Board of Adjustment Conditional Use Permit
  - Includes notification of neighbors within 250 ft.
  - C.U.P. allows discretion, i.e. not enough parking available, etc. (LTR vs. STR)
- Subject to regular inspection
- Possible upcoming changes to the proposed ordinance:
  - C.U.P. will stay
  - 120 days & 10%, numbers may change

**Comments from the Oct. 7th Des Moines Short-Term-Rental Public Meeting:**

- Attendees were ¾ pro STR, ¼ anti STR
- Bad STR owners make the entire industry look bad
- Key issue - How can an ordinance allow STR’s while ensuring trust from neighbors?
- Same issues are seen with long-term rentals as STR’s, possibly worse.
- With online sites, owners and renters rate each other, however there is no avenue for neighbors to rate the impact of an STR on the community.

**Suggested MAC approach:**

- A properly designed ordinance should provide support & guidance for STR’s and neighborhoods, vs. regulation & banning
- STR owners want rules because:
  - They provide guidelines and direction
  - Limits ‘bad apples’
  - There needs to be fines and consequences for non-compliance
- If properly regulated, STR’s do NOT need # of days limitation (difficult to enforce)
- Suggestion: Create an HOA-like association as a mediator for issues
Suggested MAC ordinance:

• Use Des Moines ordinance as a basis.
• Utilize two classes of STR, based on Primary Residence class:
  o Class A: The STR is the owner’s primary residence, rented periodically with or without owner onsite during rental period.
  o Class B: The STR is NOT the owner’s primary residence and intended to be a commercial endeavor.
  o Primary residence is defined by rental days limited to 120 per year.
• For both classes of STR:
  o Registration is required through the application of a Conditional Use Permit (CUP) issued by the Zoning Board of Adjustment. The CUP will follow the neighbor notification requirements, typically those within 250 feet of the STR.
  o The Board of Adjustment will determine if the STR location is suitable for the area, using predetermined criteria such as parking congestion.
  o The CUP will be reviewed by the Board on a maximum of three year terms for issues and compliance.
  o The owner will provide a packet for each renter with the following:
    ▪ Emergency contact information for the owner and city/county.
    ▪ Local applicable ordinances, including noise, parking, and trash pickup.
    ▪ Location of fire extinguishers, gas shut off valves, electric panel.
  o The owner (or online rental company) shall pay all applicable federal, state, and local taxes, including hotel/motel taxes.
  o The owner and guests will comply with all federal, state, and local laws and ordinances.
  o The owner will maintain records of each rental, including name, address, copy of state-issued driver’s license, and dates of accommodation.
  o The owner will maintain adequate liability insurance.
  o Change in ownership or substantial character of the STR operation will require notification to the city within 30 days of the change.
• Requirements of Class B STR beyond the Class A (due to the commercial nature of the operation):
  o An annual inspection, conforming to the city’s rental code.
  o An annual review by the Board of Adjustment of any issues.