



July 21, 2020

Honorable Charles Grassley
721 Federal Building
210 Walnut Street
Des Moines, IA 50309

Dear Senator Grassley:

On behalf of the Iowa League of Cities, Iowa State Association of Counties, and related agencies, we urge you to consider including direct relief to cities and counties as part of any additional federal assistance. The fiscal health of local governments is an essential component of the COVID-19 pandemic recovery, and we are the governments closest to the people. In this unprecedented and challenging time, we need federal financial assistance to provide the support that our residents and businesses need to recover.

Cities provide essential and necessary infrastructures such as water, electricity, transportation, broadband, as well as community activities that promote a strong and healthy workforce. We are also partners in economic growth and development by providing services that businesses depend on, including financial partnerships and support as well as safe and clean communities. Cities are an essential component of the COVID-19 pandemic recovery. Without a lifeline to recover and restore local economic activity, cities will be forced to make reductions that will have a ripple effect across the public and private sectors.

Iowa counties provide the services that are on the front lines in the fight against the pandemic – public health, emergency management, public safety, mental health and disability services, general assistance, veterans affairs, elections, and other areas of operation. Iowa counties are already seeing increased costs for these areas which will very likely continue. Looking ahead we are also anticipating decreased revenues in local option sales tax (LOST), road use tax fund (RUTF), user fees, and property tax revenue. These losses could also impact organizations and causes that counties financially support such as nonprofits, vendors, community action agencies, early childhood development, economic development authorities, transit, and libraries to name a few. Lastly, counties are oftentimes the county's largest employers. Counties are vital to keeping Iowa operational now and to leading its strong economic recovery in the future.

While the costs of dealing with this pandemic are significant, the impending loss of revenue will be the most detrimental to already strained local government budgets. City and county officials will make the tough decisions on funding essential services such as fire and law enforcement versus contributing to economic development or community programs that help deal with hunger and homelessness, which are likely to increase over the next year.

Cities and counties will be essential partners in the economic recovery across the nation. We support economic development and improvements through tax increment financing, abatements, grants, and other direct funding to businesses across the state. Community stability is also important to businesses. Revenue uncertainty and unpredictable costs will be the deciding factor whether businesses make investments in our communities.



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Iowa’s aging infrastructure is the backbone of Iowa’s agriculture, financial services, and manufacturing industries. The conditions of Iowa’s roads, bridges, water, and wastewater will have an impact on every person’s quality of life and every business’s growth in the near future. Funding these critical infrastructures are tough throughout the state, particularly in our rural areas where the economics make it increasingly difficult to provide services each year. Iowa local governments are projecting substantial revenue loss in critical funding streams such as road use tax funds, property taxes, transit funds, utilities, and local options sales tax. Without adequate funding for these critical infrastructures, the quality of life and economic opportunities for Iowans will be diminished.

Strong leadership from local officials and the partnerships with all levels of government will be required. However, without the appropriate resources, we will be powerless. This is the time for support, not the time to put an increased burden on our residents, who are already struggling during this pandemic. We strongly encourage you to include direct funding to cities and counties as part of any additional federal assistance.

Thank you for your leadership on this vital issue.

Sincerely,

Tom X. Lazio, Ottumwa Mayor
President, Iowa League of Cities

Burlin H. Matthews, Clay County Supervisor
President, Iowa State Association of Counties

John A. Lundell, Coralville Mayor
Iowa Mayor’s Association

Quentin Hart, Waterloo Mayor
President, MetroCoalition