10-1-1963

Significance of Work

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Significance of Work

A dark cloud labeled "property tax relief" hung ominously over the 60th General Assembly as it worked toward the hour of adjournment. Democrats and Republicans alike, long before the session opened, had promised to pass legislation shifting some of the mounting tax burden on property to more broadly-based tax sources, such as sales or income, and they were striving mightily to make good.

A bill to adjust the tax burden had been passed by both Senate and House — but in different form — as the deadline neared. So it had gone to conference and that committee was about to report on its attempt to compromise the differences. The spotlight was focused on the Senate where the report was to be taken up first. If adopted, then passed, by the Senate, it would be sent to the House. But the Senate voted against the report, abruptly ending the matter then and there. Adjournment came almost within the hour.

This eleventh-hour failure created the fleeting impression that the session itself had been a complete failure; that the legislature had wasted its time and that of the taxpayers; that nothing of lasting significance had been accomplished.
But, as time passed and the people had more opportunity to appraise the legislature's record in the clear light of a new day, it became increasingly apparent that, far from failure, this had been one of the best sessions in many years. It deserved praise, for this legislature had faced squarely up to more of the state's pressing problems than any of its recent predecessors, and had acted on a majority of them. In truth, one would have to go back some thirty years to find a legislature which had compiled as fine a record.

For example, shortly before the session convened the overwhelming preponderance of Republican legislators had gathered and set for themselves 13 goals they hoped to attain — and they actually had attained 12 of them. Their only miss was on property tax relief. In attaining these goals, they also carried out much of the party's 1962 platform. The same could be said for the Democrats. Even though they were in short minority, one of their own was in the Governor's chair and, together, they were able to maneuver in such a manner that they kept many of the promises in their party's platform.

It was this fine joint performance, resulting in the passage of more major legislation than during any session in the last three decades, that was overshadowed temporarily by the property tax relief failure. After all, this was only one of the three overriding issues before the legislature. The
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others were reapportionment and legalized liquor-by-the-drink, and both were passed. So the batting average was .667 which is high in any man’s league. And when you added to it the other major legislation that was adopted it was higher yet.

There were several reasons for the failure on property tax relief — including a growing belief during the session that the issue had been oversold from the beginning — but one of them was not a refusal to face the issue. For, within days after the session opened and until its final hour, hardly a waking minute elapsed without some work going into the effort to solve this problem. The Ways and Means Committees of both Senate and House labored doggedly and determinedly for days on end to map a program that would suit a majority of members before reporting a bill to the calendar. They had the help of the Committees on Tax Revision and on Appropriations in both Senate and House. But, in the end, the failure was due in large measure to the sad fact that no way could be found to relieve the taxes on property without it costing the average property owner more in new taxes than he’d get back.

Naturally, there were other factors involved in the failure and, for the most part, they were identifiable in the form of both partisan and non-partisan blocs.

An anti-sales tax bloc, composed of Democrats and Republicans representing western and north-
ern counties adjacent to Nebraska and Minnesota, conducted a highly successful fight against raising the Iowa sales tax from two to three per cent. After all, this bloc held, Iowa merchants in their communities already were losing business to Nebraska and Minnesota, which have no sales tax.

A "hold the line" bloc, also composed of members of both parties, was successful, too, in opposing tax increases, although not as successful in fulfilling its other goal of holding down appropriations. Only the cigaret tax, of all the present taxes, was increased. It went up from four to five cents a package with the new revenue to be channeled into capital appropriations for state schools.

A rural bloc was formed to work for a substantial increase in the agricultural land tax appropriation. This, in turn, found urban legislators banding together to stave off any sizeable increase in this appropriation lest it be at the expense of the urban property owner. It was the urban bloc, which formed a loose coalition with the "hold the liners" and the "anti-sales taxers," that brought about the tax bill's defeat in the end.

Republicans, whenever they could get together, favored a sales tax increase as the way to finance property tax relief. But Democrats said it should be paid for by increasing income tax rates and installing the withholding tax.

Some members of both parties, however, felt
that the state's normal economic growth and the revenue from the new legalized liquor law would be ample to meet needs with no tax increases whatever. Manifesting the earnestness of the legislators to come up with some way to pay for property tax relief was the unexpected closeness of the vote to tack legalized pari-mutuel betting on horse and dog races onto the tax bill in the House. Pari-mutuel betting bills never had got out of committee heretofore but this time a proposed amendment lost by only a nose — 51 to 49.

In the final analysis, the bill lost because it covered too much territory. It not only proposed new taxes but attempted to say how the revenue to be raised by these taxes would be spent and that was too much for too many legislators. They may have found some things they liked in the bill but they then found many more things they didn't like. So all hopes for passage faded into oblivion.

Speaking generally, Iowa newspapers were complimentary in their appraisals of the session. Here are some excerpts:

Add, subtract and total — the pluses outnumber the minuses. — Mason City Globe-Gazette.

It was a hard-working session. It hit much more than it missed. It showed willingness to tangle with most of the major issues, and on the basis of the total job the members deserve the thanks of the state. — Sioux City Journal.

... in retrospect, both chambers should be commended for putting together a session generally in the best inter-
ests of the people they represent. — Waterloo Courier.

... the problem of property tax relief is still with us and, from the farmers’ point of view it will get worse as his influence in the legislature decreases. — Tipton Conservative.

The problems faced ... were toughies and it is probably a good thing that a lot of matters were left unsolved. For example, everyone was for tax reduction and property tax relief—but no solution to the problems could be agreed upon. — Lyon County (Rock Rapids) Reporter.

If there had been solid conviction that a tax increase was really needed, this impasse over the tax bill might have been overcome. But no tears are being shed, and the public will settle back for two years of status quo in the tax business. — Dubuque Telegraph-Herald.

The one really bad thing was the deepening rift between urban and rural people. This showed up plainly in the battle in the closing days ... over the proposed three per cent sales tax. — Kossuth County (Algona) Advance.

Offhand, we're inclined to think this legislature did a pretty fair job, despite its frequent encounters with petty group selfishness and despite its failure to deal effectively with the property tax problem. ... Moreover, we're by no means sure that the big failure, though disappointing, is a serious blow to the best interests of Iowa's people. — Cedar Rapids Gazette.

It is too bad that this very fine legislature was unable to reach agreement on this important legislation [property tax relief]. ... When you assess the total program, however, you must agree that ... it was a memorable and good session. — Eagle Grove Eagle.

The main sufferer (as a result of no tax bill) will be the public schools which will get no increased state aid to
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serve the needs caused by increased enrollments. The schools have no place to turn to for money except to property tax, the point of greatest resistance. It will be ironic if the battle to determine whose property tax should get the most relief results in punishing all property taxpayers. — Des Moines Register.

Were the legislative successes due to the skill of a powerful, dynamic, mind-speaking Democratic Governor or ... to the strength and skill of a huge Republican majority in both houses? No answer can be found, and it is obvious from a reading of the record that clearcut credit or blame cannot properly be assessed. — Mitchell County Press and Osage News.

Aside from the failure to resolve tax and appropriation difficulties, the legislature scored a major triumph in passing the first liquor-by-the-drink bill for the state in 47 years. — Davenport Morning Democrat.

It was a provocative session and one that we predict will provide a springboard for many new ideas about how the next one ought to go. — Estherville Daily News.

Favorite indoor sport in Iowa during the next few weeks will be calling the 60th General Assembly ... a "do nothing" legislature. We shall not join the chorus. — Ottumwa Courier.

This ... legislature will be remembered mostly as the one which made booze legal in something less than bottles. ... But its basic outlook was fresher than in many sessions. That outlook was a willingness to look at most of the problems. — Burlington Hawk-Eye.

Iowans will have no major tax increase for the next two years and this is as it should be. State spending will have to be held within the boundaries of present state income. — Council Bluffs Nonpareil.

The 60th General Assembly will be remembered more
for passing a liquor-by-the-drink bill than for any other act. — Fort Dodge Messenger.

... it was a hard-working, conscientious and constructive session ... which accomplished much that is worthwhile for Iowa's progress. — Charles City Press.

Only time will tell if the state can continue operating on a "hold the line" policy for services and revenue or if new demands will require the state to look to new sources of funds to meet the needs of today. ... The state no doubt will survive for another two years, though it may not progress. — Iowa City Press-Citizen.

Most people are in favor of some property tax relief, but the tax muddle concocted by the state legislature during its dying days promised to cost the average property holder more than the relief it offered. — Atlantic News-Telegram.

A constant irritation to us during every session ... is the bottling up of bills in committee by small groups of diehards. ... Our form of government works best when secrecy is kept to a minimum. — Grinnell Herald-Register.

The real fight in Iowa, as elsewhere, is between large and small counties and districts and this gets down to which area has the most people and which legislators speak for the most people. — Marshalltown Times-Republican.

More talented and masterful leadership might have found a way to bridge the gap between Governor Hughes and the legislature, and between the rural and urban interests ... — Davenport Times.

The truly great significance of this session could be found in the record which showed clearly that even with a divided government it was possible to work together for the state's best interests — de-
spite the fact that the two parties were unable to carry out one common pledge — to relieve the tax on property.

For that record, in spite of the property tax relief failure, stood out like a beacon light when compared to the records of recent sessions — a beacon light which seemed to signal to future sessions that the best way to meet pressing problems is not to sidestep them, or to hope they will go away, but to tackle them head on and with decision.

**Frank T. Nye**

### COST OF A LEGISLATIVE SESSION

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Comparative Total Expenses:

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These figures compiled by State Comptroller Marvin R. Selden.