



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

May 25, 2012

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit House File 2465, an Act relating to state and local finances by making and adjusting appropriations, providing for funding of property tax credits and reimbursements and for other matters pertaining to taxation, providing for fees and criminal penalties, providing for legal responsibilities, providing for certain insurance and employee benefits, and providing for properly related matters, and including effective date and retroactive and other applicability provisions.

House File 2465 is approved on this date with the following exception, which I hereby disapprove.

I am unable to approve of the item designated as Division VIII in its entirety. This item allows a city subject to a judgment, where the city is required to return previously collected franchise fees revenue, the ability to impose a franchise fee at the rate of up to 7.5%: A referendum approving this increase must be passed by the voters before a rate greater than 5.0% can be imposed. I am committed to continuing a tax and jobs policy discussion with the House and Senate to adopt a package of tax reductions that facilitates our long-term economic growth and job creation. It is my desire to approach tax policy in a comprehensive and holistic manner. As such, I urge members of the House and Senate to continue to work with my office on an overall tax reduction package that both fits within our sound budgeting principles while reducing those taxes that are impeding our state's ability to compete for new business and jobs.

For the above reasons, I respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa.—All other items in House File 2465 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry E. Branstad".

TERRY E. BRANSTAD
Governor