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Culvers comments spark controversy over SILO tax

DES MOINES — Legislative Republicans Thursday seized on Gov. Chet Culver's comments that he would be open to using school infrastructure sales tax proceeds to fund teacher salaries to warn that Democrats plan to divert the increased revenues for other purposes.

However, legislative Democrats refuted the claim, saying Republicans were "chicken" and manipulating what the governor told a teachers' union one day earlier to avoid taking a tough political vote to help their local schools.

Lawmakers plan to debate legislation that would make the school infrastructure local option (SILO) — approved by voters in all 99 Iowa counties — a statewide tax and earmark the proceeds to school building improvements and property tax equity among Iowa's 364 school districts. Proceeds from the use tax increase from 5 percent to 6 percent that would accompany the statewide assessment would flow to highway construction upgrades.

The controversy began when Culver told the Iowa State Education Association on Wednesday that he would be willing to discuss the option of using a share of sales tax receipts for discretionary spending, such as boosting teacher salaries.

"It's what a lot of us we're concerned about from day one — that all along the governor and the Democrats were going to scoop that money and use it for another purpose," said House GOP Leader Christopher Rants, R-Sioux City, who opposes making SILO a statewide sales tax assessment.

"If that's not what the governor meant to say, then he'll come out and he'll promise he'll veto any legislation that diverts that money," Rants added. "I wish he would."

Senate Democratic Leader Mike Gronstal, D-Council Bluffs, said Republicans know what the governor meant and they know that Democrats have promised tight perimeters for how the SILO proceeds will be used. But they are using the opening as an excuse to oppose the bill.

"They don't want to take a little heat for making a tough decision," Gronstal said. "Is there any likelihood that the Legislature will divert that money? No, there isn't."

"Do you really think we're going to jeopardize the state's bond rating by undercutting local revenues to local school districts?" he added. "We're not going to do that, Republicans know we're not going to do that, but they're a little bit chicken about actually having to say I want to step up and do what's right for my local schools. Their excuses sound to me like my dog ate my homework."

Culver told reporters Thursday he was trying to encourage debate and discussion on a lot of issues as a way to build bipartisan consensus and in no way should his inadvertent comments be used to kill the bill.

Rants said the developments reinforced GOP concern that Democrats are pushing for bipartisan support to take SILO statewide and then come back near the end of session to scoop some of the proceeds to solve their budget problems.

Senate GOP Leder Ron Wieck of Sioux City said Democrats last year pledged to use all the proceeds from a \$1-a-pack cigarette tax increase for health care, but at best about 80 percent of the revenue went for that purpose. He said he suspects the same scenario will play out if SILO is make a statewide sales tax.

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