

IAAPA PUBLIC AFFAIRS UPDATE

What a New Administration Means for Your Business

President Trump pledged to pursue an ambitious agenda during his first 100 days in office. Just two days into his administration, the public affairs team is already engaged in the following legislative and regulatory efforts:

Tax Reform: IAAPA supports tax reforms that foster investment, innovation, competitiveness, and growth.

With Republicans holding control of both chambers of Congress and the White House, they are anticipated to use the budget reconciliation process to pass a tax bill that, among other provisions, will extend the expiring Tax Cuts and Jobs Act (TCJA). IAAPA supports preserving investment incentives, keeping corporate tax rates low, and ensuring fair treatment for pass-through entities. We also support tax policies that recognize the seasonal nature of the attractions business and promote workforce development and retention programs.

We are closely monitoring a potential threat that could affect IAAPA and some of its members; a proposal to impose new taxes on nonprofits. Two well-regarded think tanks in D.C. have suggested taxing the net revenue from all non-donation sources of tax-exempt organizations, such as membership dues, sponsorships, investment income, and revenue from educational programs. Essentially, this could mean the 21% corporate tax rate being applied to all non-donation net revenue.

House Speaker Mike Johnson's (R-LA) office, along with several tax-writing offices, have reviewed the proposal and believe some aspects of it have merit. In response, IAAPA joined the American Society of Association Executives (ASAE) coalition of tax-exempt organizations to take a strong stand against any proposals that would impose new taxes on 501(c) organizations. We will evaluate the final tax package when legislation is introduced in the U.S. House.

Rules and Regulations: IAAPA opposes rules and regulations that negatively impact efficiency, innovation, and growth.

President Trump has committed to eliminating "thousands" of regulations. Accordingly, the Coalition for Workplace Safety (CWS), which includes IAAPA and 80 other like-minded organizations, will request the next U.S. Secretary of Labor to support the withdrawal of the

Occupational Safety and Health Administration's (OSHA) Notice of Proposed Rule-making (NPRM) on Heat Injury and Illness Prevention in Indoor and Outdoor settings.

In the meantime, the coalition recently submitted formal comments to OSHA urging them to withdraw the NPRM. While IAAPA acknowledges that heat can pose risks to workers in various workplace environments, we oppose the “one-size-fits-all” approach in OSHA’s proposed rule, which overlooks geographical and other important factors. President Trump's focus on deregulation and the Supreme Court's decision to overturn the Chevron doctrine, make it unlikely that these rules will be implemented.

On a side note, on November 15, 2024, the U.S. District Court for the Eastern District of Texas ruled to invalidate the Department of Labor’s (DOL) 2024 Final Rule, which had raised the salary thresholds for overtime exemptions under the Fair Labor Standards Act (FLSA). This ruling vacated the rule nationwide, halting its implementation and restoring the previous salary levels, effective before July 1, 2024. The salary level for executive, administrative, and professional (EAP) exemptions was set at \$35,586 per year (\$684 per week), and the salary level for the highly compensated employee exemption was set at \$107,432 per year.

Transaction Fees: IAAPA supports the Credit Card Competition Act.

This legislation proposes to reduce transaction fees by encouraging competition, allowing IAAPA members to reinvest in improving guest experiences and driving innovation. The need for this legislative solution is reinforced by the U.S. Department of Justice's civil antitrust lawsuit against Visa, which alleges monopolistic practices and other unlawful conduct in the debit network markets, in violation of Sections 1 and 2 of the Sherman Act.

Ride Safety: IAAPA opposes federal regulation and oversight of amusement ride safety. IAAPA supports state level regulation and oversight of amusement ride safety.

Currently, 48 out of 50 states have established ride safety regulations. Safety is our industry's top priority, and we believe that effective, well-crafted regulations are essential in supporting the efforts of manufacturers and ride operators to maintain amusement rides as one of the safest forms of recreation. IAAPA, in partnership with its members, works closely with regulatory authorities, inspection agencies, and standard-setting organizations globally to develop safety standards and regulations, always ensuring that industry stakeholders are consulted throughout the process.

For these reasons, we actively opposed U.S. Rep. André Carson's (D-Ind.) bill, the National Amusement Park Safety Act, introduced on November 21, 2024. The bill proposed to: 1) classify rides permanently fixed to an amusement park as consumer products, 2) expand the Consumer Product Safety Commission's authority to enforce safety standards, 3) investigate accidents, 4) address and resolve defects, 5) increase safety training for roller coaster

operators, and 6) collect data on accidents and defects nationwide.

Fortunately, the bill expired when the 118th Congress adjourned on January 3, 2025. If Rep. Carson reintroduces the bill during the 119th Congress, we are well-positioned to oppose it thanks to our strong relationships with the Chairman of the House Energy and Commerce Subcommittee on Innovation, Data, and Commerce, and commissioners on the U.S. Consumer Product Safety Commission. They acknowledge our industry's strong safety record and proactive support for effective state-level regulations.

Unmanned Aircraft Systems (aka Drones): IAAPA supports new aviation laws and regulations that balance encouraging drone innovation with ensuring airspace protections for fixed-site amusement parks.

The attractions industry has long been at the forefront of technological innovation, and drones have become a game-changing tool. As parks explore creative ways to use drones to enhance guest experiences, the public affairs team continues to collaborate with the aviation community, federal lawmakers, and Federal Aviation Administration (FAA) officials to advocate for laws and regulations that foster drone innovation while ensuring airspace protections for fixed-site amusement parks.

We continue to work with a coalition of industry and law enforcement organizations to urge the Federal Aviation Administration (FAA) to propose rules under Section 2209 of the FAA Extension, Safety, and Security Act of 2016. These rules would restrict the operation of unmanned aircraft systems (UAS) near sensitive fixed-site facilities, including fixed-site amusement parks.

Designating fixed-site amusement parks as restricted zones would reduce the number of drones flying over these parks. It would also allow parks to identify and address any drones unlawfully operating within these zones, and contact law enforcement for assistance. The coalition also requested the FAA to clarify that operators and owners of fixed-site facilities be allowed to use drones for entertainment, security, and safety purposes.

The public affairs team was invited to participate in the FAA's UAS Detection and Mitigation Systems Aviation Rule-making Committee (ARC). This committee, which includes a range of aviation stakeholders and representatives from commercial facilities like IAAPA and the National Football League, identified opportunities for rule-making to ensure appropriate FAA oversight of drone detection and mitigation systems.

Tariffs: It is unclear whether President Trump intends to impose new tariffs or if he's using the threat as a negotiating tactic in a larger trade deal. Working with our partners at the National Association of Manufacturers (NAM), we are closely monitoring the situation, as new tariffs on

metals and other key materials could have a substantial impact on our members.

Workforce: IAAPA supports an inclusive, world-class workforce development system that fosters productivity, innovation, and growth opportunities.

IAAPA continues to work with a diverse range of organizations advocating for workforce legislation that supports seniors, veterans, caregivers, guest workers, youth/entry-level employees, and more. For example, last year, we successfully defeated a proposed amendment that would have reduced funding for the J-1 (BridgeUSA) program.

Unfortunately, these are temporary fixes to a much larger issue; the need for comprehensive immigration reform. Studies consistently show that the lack of available workers in the U.S. is a critical factor for the economy's future, with a workforce crisis expected to reach its peak by 2030. This concern is further emphasized in IAAPA's Quarterly Outlook Survey, which identifies staffing shortages as the top challenge facing the industry.

U.S. immigration policy should foster economic growth and competitiveness, secure our borders, and protect our country and citizens. Unfortunately, the topics of "immigration reform" and "border security" have become intertwined and remain highly divisive. As a result, there are growing concerns that new immigration policies aimed at securing the border could unintentionally harm the workforce, exacerbating labor shortages, driving up wages, disrupting key sectors like ours, and slowing economic growth - especially since much of the recent job growth has been fueled by lawful immigration.

If the supply of lawful immigrant workers, guest workers, and/or exchange program workers is inadvertently disrupted, how will the attractions industry adequately staff to meet guest expectations and grow? Looking inward, 16 states have introduced or enacted new laws and regulations to modernize how employers can schedule work for 16- and 17-year-olds. This signals a potentially favorable shift in labor policy that may be able to be expanded upon in a reasonable and responsible manner.

Our team is coordinating meetings with members to explore innovative workforce policy solutions. If we can build consensus around specific ideas, we'll present them to the relevant Congressional committees, workforce related coalitions, and the incoming U.S. Secretary of Labor. The ongoing workforce crisis requires new approaches—not a continuation of the status quo.

Sincerely,



Keith Stephenson
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