

unincorporated area of that county in which a majority of those voting in the area on the tax favor its imposition. For purposes of the local sales and services tax, all cities contiguous to each other shall be treated as part of one incorporated area and the tax would be imposed in each of those contiguous cities only if the majority of those voting in the total area covered by the contiguous cities favor its imposition. For purposes of the local sales and services tax, a city is not contiguous to another city if the only road access between the two cities is through another state.

Approved May 8, 1989

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## CHAPTER 147

### SALES TAX EXEMPTION FOR CERTAIN MEDIA PRODUCTS

*S.F. 213*

**AN ACT** exempting from the sales, services, and use tax the sale of certain films, tapes, discs, and records to a person engaged in the business of leasing, renting, or selling these items and providing effective and retroactive effective dates.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 422.45, Code 1989, is amended by adding the following new subsection:  
**NEW SUBSECTION. 41.** The gross receipts from the sale of motion picture films, video and audio tapes, video and audio discs and records, or other media which can be seen, heard, or read to a person regularly engaged in the business of leasing, renting, or selling this property if the ultimate leasing, renting, or selling of the property is subject to tax under this division. The exemption provided in this subsection is retroactive to July 1, 1984.

Sec. 2. This Act, being deemed of immediate importance, is effective upon enactment.

Approved May 8, 1989

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## CHAPTER 148

### ELECTRIC UTILITIES' ENERGY MANAGEMENT

*S.F. 266*

**AN ACT** requiring electric utilities to have in effect a comprehensive energy management program before increased revenue requirements may be finally approved by the utilities board.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 476.6, Code 1989, is amended by adding the following new subsection:  
**NEW SUBSECTION. 17. COMPREHENSIVE ENERGY MANAGEMENT REQUIRED FOR ELECTRIC UTILITIES.** An electric utility shall not have an increased revenue requirement finally approved under this section unless the utilities board finds that the electric utility has in effect a comprehensive energy management program which meets the primary objectives of section 476A.6, subsection 4.

Approved May 8, 1989