

CHAPTER 1185**MEDICAL ASSISTANCE REIMBURSEMENTS TO AREA EDUCATION AGENCIES***S.F. 2324*

AN ACT providing for area education agency administrative costs relating to special education services reimbursed under the medical assistance program.

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

Section 1. **MEDICAL ASSISTANCE ADMINISTRATIVE COSTS — AREA EDUCATION AGENCIES.**

The area education agencies shall determine their administrative costs relating to recording and billing for medical assistance reimbursement for special education services provided pursuant to section 281.15. Up to twelve percent of the federal funds received from the medical assistance reimbursement may be used to pay for the area education agencies' administrative costs.

Approved April 24, 1990

CHAPTER 1186**SALES AND USE TAX PROCESSING EXEMPTION'S
APPLICABILITY TO CARBON DIOXIDE***S.F. 2406*

AN ACT relating to the sales and use tax on carbon dioxide and providing a retroactive applicability date.

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

Section 1. Section 422.42, subsection 3, Code 1989, is amended to read as follows:

3. "Retail sale" or "sale at retail" means the sale to a consumer or to any person for any purpose, other than for processing, for resale of tangible personal property or taxable services, or for resale of tangible personal property in connection with taxable services; and includes the sale of gas, electricity, water, and communication service to retail consumers or users; but does not include agricultural breeding livestock and domesticated fowl; and does not include commercial fertilizer, agricultural limestone, herbicide, pesticide, insecticide, food, medication, or agricultural drain tile, including installation of agricultural drain tile, any of which are to be used in disease control, weed control, insect control, or health promotion of plants or livestock produced as part of agricultural production for market; and does not include electricity, steam, or any taxable service when purchased and used in the processing of tangible personal property intended to be sold ultimately at retail. When used by a manufacturer of food products, carbon dioxide in a liquid, solid, or gaseous form, electricity, steam, and other taxable services are sold for processing when used to produce marketable food products for human consumption, including but not limited to, treatment of material to change its form, context, or condition, in order to produce the food product, maintenance of quality or integrity of the food product, changing or maintenance of temperature levels necessary to avoid spoilage or to hold the food product in marketable condition, maintenance of environmental conditions necessary for the safe or efficient use of machinery and material used to produce the food product, sanitation and quality control activities, formation of packaging, placement into shipping containers, and movement of the material or food product until shipment from the building of manufacture. Tangible personal property is sold for processing within the meaning of this subsection

only when it is intended that the property will, by means of fabrication, compounding, manufacturing, or germination become an integral part of other tangible personal property intended to be sold ultimately at retail; or will be consumed as fuel in creating heat, power, or steam for processing including grain drying, or for providing heat or cooling for livestock buildings, or for generating electric current, or in implements of husbandry engaged in agricultural production; or the property is a chemical, solvent, sorbent, or reagent, which is directly used and is consumed, dissipated, or depleted, in processing personal property which is intended to be sold ultimately at retail or consumed in the maintenance or repair of fabric or clothing, and which may not become a component or integral part of the finished product. The distribution to the public of free newspapers or shoppers guides is a retail sale for purposes of the processing exemption.

Sec. 2.

This Act is retroactively applicable to July 1, 1985.

Approved April 24, 1990

CHAPTER 1187

FIRE DISTRICT TAX LEVY AND RESERVE ACCOUNT

S.F. 2415

AN ACT authorizing an additional tax levy and the creation of a reserve account by a benefited fire district.

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

Section 1. Section 357B.3, Code 1989, is amended to read as follows:

357B.3 POWERS OF THE BOARD OF TRUSTEES.

1. The board of trustees may purchase, own, rent, or maintain fire apparatus or equipment within the state or outside the territorial jurisdiction and boundary limits of this state and provide housing for such apparatus or equipment. The board of trustees may contract with any public or private agency under chapter 28E for the purpose of providing fire protection under this chapter. The board of trustees may levy an annual tax not exceeding forty and one-half cents per thousand dollars of assessed value for the purpose of exercising the powers granted in this section. The board of trustees may purchase material and employ persons to provide for the maintenance and operation of the benefited fire district. The trustees shall be allowed reimbursement for any necessary expenses incurred in the performance of their duties, but they shall not receive any other compensation for their services.

2. If the levy authorized under subsection 1 is insufficient to provide the services authorized or required under this section, the trustees may levy an additional annual tax not exceeding twenty and one-fourth cents per thousand dollars of assessed value of the taxable property in the benefited district to provide the services.

3. Of the levies authorized under subsections 1 and 2, the trustees may credit to a reserve account annually an amount not to exceed ten cents per thousand dollars of the assessed value of the taxable property in the township for the purchase or replacement of supplies and equipment required to carry out the services specified under this section. Notwithstanding section 453.7, interest earned on moneys credited to the reserve account shall be credited to the reserve account.

Approved April 24, 1990