

FILED MAY 15 1973

By COMMITTEE ON WAYS AND MEANS

Passed Senate, Date 5-17-73 (1310) Passed House, Date \_\_\_\_\_  
Vote: Ayes 40 Nays 2 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved 7-18-73

*Motion to reconsider filed 5/17 (1310) provided 5/2*

*Parish Senate 6-11-73 (1469)*

*Motion to reconsider filed 4-12 (1772) withdrawn 6/13 (1736)*

### A BILL FOR

1 An Act providing a method of apportionment of valuation of  
2 electric power generating plants of more than one hundred  
3 megawatts.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5 Section 1. Chapter four hundred twenty-eight (428), Code  
6 1973, is amended by adding the following new section:

7 NEW SECTION. As used in this section, "electric power  
8 generating plant" means all electric power generating plants  
9 owned solely or jointly by any person, and "electric operating  
10 property" means all electric property of such persons assessed  
11 under section four hundred twenty-eight point twenty-four  
12 (428.24) of the Code, except the electric power generating  
13 plant.

14 Notwithstanding sections four hundred twenty-eight point  
15 twenty-five (428.25) and four hundred twenty-eight point  
16 twenty-seven (428.27) of the Code, the taxable value of an  
17 electric power generating plant with a manufacturer's generator  
18 name plate rating of more than one hundred megawatts, deter-  
19 mined for assessment as provided for under section four hun-  
20 dred twenty-eight point twenty-nine (428.29) of the Code,  
21 construction of which has been commenced after December 31,  
22 1972, shall be apportioned as follows:

23 1. That fractional portion in which one hundred megawatts  
24 is the numerator and such manufacturer's generator name plate  
25 rating of the electric power generating plant in megawatts

1 is the denominator, is to be apportioned to the taxing dis-  
2 tricts in which the plant is situated.

3 2. The remainder of such actual value shall be allocated  
4 to each taxing district in which electric operating property  
5 of the owner thereof is located, and is assessed and certified by  
6 the director of revenue under this chapter and section four  
7 hundred thirty-seven point nine (437.9) of the Code in the  
8 ratio that the actual value of that part of such owner's  
9 electric operating property which is located in the affected  
10 taxing district bears to the total actual value of the electric  
11 operating property of such owner. If the owner has no taxable  
12 property in this state other than the electric power generating  
13 plant which is assessed, then the remainder shall be assessed  
14 and levied on at the current rate of the taxing district in  
15 which the plant is located. Tax monies resulting from such  
16 remainder assessments and levies shall pass to the general  
17 fund of the state.

18 EXPLANATION

19 This bill provides a formula for taxing electric power  
20 generating plants with a capacity of more than 100 megawatts.

21 S--608

1 Amend Senate File 557 by striking the period in line 13 and  
2 substituting in lieu thereof the following:  
3 ", and 'commenced' means the beginning of some work,  
4 in or on the ground, intended to initiate construction of  
5 an electric power generating plant."

S--608 Filed and adopted 5/17 Filed By SCHWENGELS  
May 16, 1973 out of order by passage  
of S-746

28

S--615

1 Amend Senate File 557 page 1, line 21, by striking the  
2 word "commenced" and inserting in lieu thereof the word  
3 "completed".

S--615 Filed and adopted - *Revised* By SHAFF  
May 17, 1973 *of order by adoption*  
of S-746

34

35

1 Amend Senate File 557 by striking everything after the enact-  
2 ing clause and inserting in lieu thereof the following:

3 Section 1. Chapter four hundred twenty-eight (428), Code  
4 1973, is amended by adding the following new section:

5 NEW SECTION. 1. As used in this section, unless the context  
6 otherwise requires:

7 a. "Taxable value" means twenty-seven percent of the actual  
8 value of an electric power generating plant.

9 b. "Electric power generating plant" means each taxable name  
10 plate rated electric power generating plant owned solely or  
11 jointly by any person in which electrical energy is produced from  
12 other forms of energy, including all equipment used in the pro-  
13 duction of such energy through its step-up transformer.

14 c. "Electric operating property" means all electric property  
15 belonging to such owner, as determined by the department of  
16 revenue and assessed by it under chapter four hundred twenty-eight  
17 (428) and chapter four hundred thirty-seven (437) of the Code,  
18 except electric power generating plants.

19 2. Notwithstanding sections four hundred twenty-eight point  
20 twenty-five (428.25) and four hundred twenty-eight point twenty-  
21 seven (428.27) of the Code, the taxable value of an electric  
22 power generating plant placed in commercial service after Decem-  
23 ber 31, 1972, shall be apportioned by the director of revenue,  
24 commencing with the year 1973, as follows:

25 a. The first twelve million dollars of taxable value shall be

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1 apportioned to the taxing districts in which each such plant is  
2 situated.

3 b. The remaining taxable value shall be apportioned to each  
4 taxing district in which electric operating property of the owner  
5 thereof is located, in the ratio that the actual value of that  
6 part of such owner's electric operating property which is located  
7 in the affected taxing district bears to the total actual value  
8 of the electric operating property of such owner located in the  
9 state. If the owner has no taxable property in this state other  
10 than the electric power generating plant which is assessed, then  
11 the remainder shall be assessed and levied on at the current rate  
12 of the taxing district in which the plant is located. Tax moneys  
13 received from such remainder assessments and levies shall be paid  
14 to the county treasurer, who shall pay such tax moneys to the  
15 treasurer of state not later than fifteen days from the date the  
16 moneys are received by the county treasurer for deposit in the  
17 general fund of the state.

18 c. Notwithstanding the provisions of paragraph b of this  
19 subsection, if the owner is a municipal electric utility, the  
20 remaining taxable value shall be allocated to each taxing district  
21 in which the municipal electric utility is serving customers and has  
22 electric meters in operation in the ratio that the number of  
23 operating electric meters of the municipal electric utility lo-  
24 cated in the taxing district bears to the total number of operating  
25 electric meters of the municipal electric utility in the state

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1 as of January first of the calendar year in which the assessment  
2 is made. If the municipal electric utility has no operating  
3 electric meters in this state, then the remainder shall be  
4 assessed and levied on at the current rate of the taxing district  
5 in which the electric power generating plant is located. Tax  
6 moneys received from such remainder assessment and levies shall  
7 be paid to the county treasurer, who shall pay such tax moneys to  
8 the treasurer of state not later than fifteen days from the date  
9 the tax moneys are received by the county treasurer for deposit  
10 in the general fund of the state.

11 All municipal electric utilities which shall have taxable value  
12 apportioned under this section shall, annually on or before the  
13 first day of May of each calendar year, make a report listing the  
14 total operating meters of the municipal electric utility in each  
15 taxing district it serves as of the first day of January of each  
16 calendar year on forms provided by the department of revenue.

17 d. If an electric power generating plant is jointly owned by  
18 two or more owners, each owner's pro rata share of the first  
19 twelve million dollars of taxable value shall be apportioned to  
20 the taxing district or districts in which such plant is situated.  
21 Each owner's pro rata share of the remainder of such taxable value  
22 shall be allocated as provided in paragraphs b and c of this  
23 subsection, whichever is applicable.

24 Amend the title, page 1, lines 2 and 3, by striking the words  
25 "one hundred megawatts" and inserting in lieu thereof the words

Page 4

1 "twelve million dollars in taxable valuation".

S-614

- 1 Amend Senate File 557 as follows:
- 2 1. Page 1, line 10, by inserting after the second word
- 3 "property" the following: "and any common property which
- 4 shall be apportioned between electric and gas divisions".
- 5 2. Page 2, line 11, by inserting after the word
- 6 "property" the following: "located in the state of Iowa".

S-614 Filed and adopted *Rule out of order* By SCHWENGELS  
May 17, 1973 *by adoption of S-746*

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S-616

- 1 Amend Senate File 557 as follows:
- 2 Page 1, line 12, by inserting the following after
- 3 "(428.24)" "and chapter four hundred thirty-seven (437)".

S-616 Filed and adopted *Rule out of order* By SCHWENGELS  
May 17, 1973 *by adoption of S-746*

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S-617

- 1 Amend Senate File 557, page 1, line 22, by striking the
- 2 numeral "1972" and inserting in lieu thereof the numeral
- 3 "1950".

S-617 Filed and lost By RILEY  
May 17, 1973

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S-695

- 1 Amend Senate File 557, page 1, line 13 by inserting after the
- 2 word "plant" the words ", and 'completed' means more than
- 3 fifty percent of construction has been performed".

S-695 Filed *w. L. 6/11* By DE KOSTER  
May 30, 1973

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S-696

- 1 Amend the DeKoster amendment S695 to Senate File 557, line
- 2 3, by inserting after the word "performed" the words "by
- 3 July 1, 1973".

S-696 Filed and adopted By DE KOSTER  
May 30, 1973

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S-697

- 1 Amend Senate File 557, page 2, by adding after line 17 the
- 2 following:
- 3 "3. The distribution provisions of subsections one (1)
- 4 and two (2) of this section shall take effect July 1, 1976."

S-697 Filed *Rule out of order by* By CURTIS and KINLEY  
May 30, 1973 *adoption of S-746*

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S--834

Division S-834D

1 Amend the Committee on Ways & Means amendment S-746, to Senate  
2 File 557, as follows:

Division S-834A

3 1. Page 1, by striking lines 22 and 23 and inserting in lieu  
4 thereof the following: "power generating plant shall be appor-  
5 tioned by the director of revenue,".

Division S-834B

6 2. Page 1, by striking lines 24 and 25 and inserting in lieu  
7 thereof the following: "commencing with the year 1974, as  
8 follows: a. Fifty percent of taxable value shall be".

Division S-834C

9 3. Page 2, line 1 by inserting after the word "such" the words  
10 "electric power generating".

S--834 Filed

By RILEY and ROBINSON

division S-834A lost

division S-834B lost

division S-834C adopted

division S-834D adopted

June 11, 1973

June 13, 1973

SENATE FILE 557

By COMMITTEE ON WAYS AND MEANS

SENATE AMENDMENTS  
SHOWN IN BOLD FACE

(AS PASSED BY THE SENATE)

Passed Senate, Date..... Passed House, Date *6-15-73 (1972)*

Vote: Ayes..... Nays..... Vote: Ayes *37*..... Nays *6*.....

Approved..... *m. l. s. to committee filed 6-15 (2000) Sent 6-15*

## A BILL FOR

1 An Act providing a method of apportionment of valuation of  
2 electric power generating plants of more than  
3 twelve million dollars in taxable valuation.

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

5 Section 1. Chapter four hundred twenty-eight (428),  
6 Code 1973, is amended by adding the following new section:

7 **NEW SECTION.** 1. As used in this section, unless the context  
8 otherwise requires:

9 a. "Taxable value" means twenty-seven percent of the actual  
10 value of an electric power generating plant.

11 b. "Electric power generating plant" means each taxable name  
12 plate rated electric power generating plant owned solely or  
13 jointly by any person in which electrical energy is produced from  
14 other forms of energy, including all equipment used in the pro-  
15 duction of such energy through its step-up transformer.

16 c. "Electric operating property" means all electric property  
17 belonging to such owner, as determined by the department of  
18 revenue and assessed by it under chapter four hundred twenty-eight  
19 (428) and chapter four hundred thirty-seven (437) of the Code,  
20 except electric power generating plants.

21 2. Notwithstanding sections four hundred twenty-eight point  
22 twenty-five (428.25) and four hundred twenty-eight point twenty-

1 seven (428.27) of the Code, the taxable value of an electric  
2 power generating plant placed in commercial service after Decem-  
3 ber 31, 1972, shall be apportioned by the director of revenue,  
4 commencing with the year 1973, as follows:

5 a. The first twelve million dollars of taxable value shall be  
6 apportioned to the taxing districts in which each such electric  
7 power generating plant is situated.

8 b. The remaining taxable value shall be apportioned to each  
9 taxing district in which electric operating property of the owner  
10 thereof is located, in the ratio that the actual value of that  
11 part of such owner's electric operating property which is located  
12 in the affected taxing district bears to the total actual value  
13 of the electric operating property of such owner located in the  
14 state. If the owner has no taxable property in this state other  
15 than the electric power generating plant which is assessed, then  
16 the remainder shall be assessed and levied on at the current rate  
17 of the taxing district in which the plant is located. Tax moneys  
18 received from such remainder assessments and levies shall be paid  
19 to the county treasurer, who shall pay such tax moneys to the  
20 treasurer of state not later than fifteen days from the date the  
21 moneys are received by the county treasurer for deposit in the  
22 general fund of the state.

23 c. Notwithstanding the provisions of paragraph b of this  
24 subsection, if the owner is a municipal electric utility, the  
25 remaining taxable value shall be allocated to each taxing district  
26 in which the municipal electric utility is serving customers and  
27 has electric meters in operation in the ratio that the number of

1 operating electric meters of the municipal electric utility  
2 located in the taxing district bears to the total number of  
3 operating electric meters of the municipal electric utility in  
4 the state as of January first of the calendar year in which the  
5 assessment is made. If the municipal electric utility has no  
6 operating electric meters in this state, then the remainder shall  
7 be assessed and levied on at the current rate of the taxing  
8 district in which the electric power generating plant is located.  
9 Tax moneys received from such remainder assessment and levies  
10 shall be paid to the county treasurer, who shall pay such tax  
11 moneys to the treasurer of state not later than fifteen days from  
12 the date the tax moneys are received by the county treasurer for  
13 deposit in the general fund of the state.

14 All municipal electric utilities which shall have taxable value  
15 apportioned under this section shall, annually on or before the  
16 first day of May of each calendar year, make a report listing the  
17 total operating meters of the municipal electric utility in each  
18 taxing district it serves as of the first day of January of each  
19 calendar year on forms provided by the department of revenue.

20 d. If an electric power generating plant is jointly owned by  
21 two or more owners, each owner's pro rata share of the first  
22 twelve million dollars of taxable value shall be apportioned to  
23 the taxing district or districts in which such plant is situated.  
24 Each owner's pro rata share of the remainder of such taxable value  
25 shall be allocated as provided in paragraphs b and c of this  
26 subsection, whichever is applicable.

27 **CORRECTED EXPLANATION**

28 This bill provides a formula for taxing electric power  
29 generating plants of more than twelve million dollars in  
30 taxable valuation.

H—792

1 Amend Senate File 557, as passed by the Senate  
2 and reprinted, as follows:  
3 Page 1, by striking the words "name plate rated"  
4 from lines 11 and 12.

H—792 Filed *withd. 6/15*  
June 14, 1973

By STANLEY of Muscatine  
DUNLAP of Story  
EGENES of Story  
DRAKE of Muscatine  
HOWELL of Floyd  
COCHRAN of Webster

H—801

1 Amend Senate File 557 as passed by the Senate,  
2 and reprinted, as follows:  
3 1. Page 1, by inserting after line 20 the  
4 following:  
5 d. After December 31, 1975, for purposes of this  
6 section, "electric operating property of the owner"  
7 shall include the electric operating property of any  
8 municipal electric utility which purchases all its  
9 electric power from such owner if the municipal  
10 electric utility has made no agreement to become a  
11 joint owner of any electric power generating plant.

H—801 Filed and withdrawn  
June 15, 1973

By EGENES of Story  
DUNLAP of Story  
DAGGETT of Taylor  
DANKER of Pottawattamie  
HOWELL of Floyd