

From Do Pass 2/22 (p. 513)

FEB 21 1983

SENATE FILE 289

BY COMMITTEE ON WAYS AND MEANS
Approved 2/21 (p. 503)
(FORMERLY SSB 44)

Failed

~~Passed~~ Senate, Date 3-4-83 (p. 628) Passed House, Date _____

Vote: Ayes 21 Nays 27 Vote: Ayes _____ Nays _____

Approved _____

Motion to recommit (p. 628) Lost 5/14/83

A BILL FOR

1 An Act relating to the imposition of a local option income
2 surtax, vehicle tax, sales and services tax, and payroll
3 tax by a city or county and providing for penalties.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S. F. 289

1 Section 1. NEW SECTION. AUTHORIZATION--ELECTION--IMPO-
2 SITION AND REPEAL.

3 1. A city or a county may impose by ordinance of the city
4 council or resolution of the board of supervisors local option
5 taxes authorized by sections 1 through 13 of this Act, subject
6 to this section.

7 2. A local option tax shall be imposed only after an
8 election at which a majority of those voting on the question
9 favors imposition and shall then be imposed until repealed
10 as provided in subsection 7, paragraph a. If the tax is
11 imposed by a city, it shall only apply within the corporate
12 boundaries of that city and if imposed by a county, it shall
13 only apply to unincorporated areas of that county except that
14 a local sales and services tax imposed by a county shall apply
15 to all incorporated and unincorporated areas of the county.

16 3. Upon its own motion or upon receipt of a petition
17 signed by eligible electors of the city equal in number to
18 five percent of the persons of the city who voted in the last
19 preceding state general election requesting imposition of
20 a specific local option tax, except a local sales and services
21 tax, the city council shall direct within sixty days of its
22 motion or receipt of the petition the county commissioner
23 of elections to submit the question of the imposition of the
24 specified local option tax which shall not be a local sales
25 and services tax to the qualified electors of the city.

26 4. Upon its own motion or upon receipt of a petition
27 signed by eligible electors of the unincorporated area of
28 the county equal in number to five percent of the persons
29 of the unincorporated area of the county who voted at the
30 last preceding state general election requesting imposition
31 of a specific local option tax, except a local sales and
32 services tax, the county board of supervisors shall direct
33 within sixty days of its motion or receipt of the petition
34 the county commissioner of elections to submit the question
35 of the imposition of the specified local option tax which

1 shall not be a local sales and services tax to the qualified
2 electors of the unincorporated area of the county.

3 5. A county board of supervisors shall direct within sixty
4 days the county commissioner of elections to submit the ques-
5 tion of imposition of a local sales and services tax to the
6 qualified electors of the incorporated and unincorporated
7 areas of the county upon receipt of a petition signed by
8 eligible electors of the whole county equal in number to five
9 percent of the persons in the whole county who voted at the
10 last preceding state general election or signed by a majority
11 of the governing bodies of the county and cities located
12 within the county.

13 6. The county commissioner of elections shall submit the
14 question of imposition of a local tax only at a state general
15 election in the case of a tax imposed by a county or at a
16 state general election or city regular election in the case
17 of a tax imposed by a city which may not be held sooner than
18 sixty days after publication of notice of the ballot
19 proposition. The ballot proposition shall specify the type
20 and rate of tax and in the case of a local sales and services
21 tax the date it will be imposed. The rate of a local income
22 surtax shall be in increments of five percent but not in
23 excess of thirty percent as set by the governing body of the
24 city or county seeking to impose the surtax. The rate of
25 a local payroll tax shall be in increments of one-half of
26 one percent but not in excess of two percent as set by the
27 governing body of the city or county seeking to impose the
28 tax. The rate of the vehicle tax shall be a dollar amount
29 per axle as set by the governing body of the city or county
30 seeking to impose the tax. The rate of a local sales and
31 services tax shall be one percent. The state commissioner
32 of elections shall establish by rule the form for the ballot
33 proposition which form shall be uniform throughout the state.

34 7. a. If a majority of those voting on the question of
35 imposition of a local option tax favor imposition of a local

1 option tax, the governing body of that city or that county,
2 as applicable, shall impose the tax at the rate specified
3 for an unlimited period. The local option tax may be repealed
4 or the rate increased or decreased only after an election
5 at which a majority of those voting on the question of repeal
6 or rate change favor the repeal or rate change. The election
7 at which the question of repeal or rate change is offered
8 shall be called and held in the same manner and under the
9 same conditions as provided in subsections 3, 4, 5, and 6
10 for the election on the imposition of the local option tax.

11 b. Within ten days of the election at which a majority
12 of those voting on the question favors the imposition, repeal,
13 or change in the rate of a local option tax, the governing
14 body shall give written notice to the director of revenue
15 or, in the case of a local vehicle tax, to the director of
16 the department of transportation, of the result of the
17 election.

18 8. More than one of the authorized local option taxes
19 may be submitted at a single election and the different taxes
20 shall be separately implemented as provided in this section.

21 9. Local option taxes authorized to be imposed as provided
22 in sections 1 through 13 of this Act are a local income surtax,
23 a local payroll tax, a local sales and services tax, and a
24 local vehicle tax. The rate of the taxes shall be up to
25 thirty percent in increments of five percent for the income
26 surtax, up to two percent in increments of one-half of one
27 percent for the payroll tax, and a dollar amount per axle
28 in increments of one dollar for a vehicle tax all as set by
29 the governing body of the city or county seeking to impose
30 the surtax, payroll tax, or vehicle tax. The rate of a local
31 sales and services tax shall be one percent.

32 Sec. 2. NEW SECTION. LOCAL VEHICLE TAX. An annual local
33 vehicle tax at the dollar rate per axle specified on the
34 ballot proposition may be imposed by a city or county on every
35 vehicle which is required to be registered by the state and

1 is registered to either of the following:

2 1. A person residing within the city or unincorporated
3 area of the county where the tax is imposed at the time of
4 registration of the vehicle.

5 2. Any person, if the vehicle is usually kept, garaged,
6 or stored during the night and on weekends and holidays within
7 the limits of the city or unincorporated area of a county
8 where the tax is imposed.

9 A person subject to tax under subsection 1 shall receive
10 a credit for tax paid for that year under subsection 2.

11 For the purpose of the tax authorized by this section,
12 "person" means the same as defined in section 321.1, "vehicle"
13 means any self-propelled vehicle subject to registration under
14 section 321.18, and "axle" means the assembly of housing and
15 axle shafts which supports and propels either a pair of wheels
16 or one wheel only.

17 Sec. 3. NEW SECTION. ADMINISTRATION. A local vehicle
18 tax or change in the rate shall be imposed January 1
19 immediately following a favorable election and the repeal
20 of the tax shall be as of December 31 following a favorable
21 election.

22 Local officials shall confer with the director of the
23 department of transportation for assistance in drafting the
24 ordinance or resolution imposing a local vehicle tax. A
25 certified copy of the ordinance or resolution shall be filed
26 with the director as soon as possible after passage. The
27 director shall inform the appropriate county treasurers and
28 in cooperation with them shall collect and account for all
29 local vehicle taxes and any penalties, crediting local vehicle
30 tax receipts including penalties to a "local vehicle tax fund"
31 established in the office of the treasurer of state. From
32 the local vehicle tax fund, the treasurer of state shall remit
33 annually at the beginning of each fiscal year to each city
34 and county which has imposed a local vehicle tax the amount
35 collected as a result of its tax. Moneys received by a city

1 or county from this fund shall be credited to the general
2 fund of that city or county or shall be credited to the street
3 construction fund of that city or the secondary road fund
4 of that county.

5 Sec. 4. NEW SECTION. PAYMENT. Taxpayers shall pay a
6 local vehicle tax to the county treasurer or to the department
7 of transportation at the time of application for registration
8 of the vehicle under chapter 321. County treasurers and the
9 department of transportation shall require a person applying
10 for registration of a vehicle to state the person's residence
11 and where the vehicle is usually kept, garaged, or stored
12 during the night and on weekends and holidays and shall not
13 issue a state registration certificate to the owner of a
14 vehicle on which a local vehicle tax is due until the local
15 vehicle tax is paid.

16 Payment of a local vehicle tax shall be evidenced by a
17 stamp on the state registration certificate and by issuance
18 of a sticker, decal, or tag. The director of the department
19 of transportation shall prescribe by rule the form of the
20 sticker, decal, or tag, a reasonable method of prorating local
21 vehicle taxes on vehicles originally registered for part of
22 a year only and a reasonable method for refunding part of
23 local vehicle taxes when a refund of a state registration
24 fee is due under section 321.126.

25 Unpaid local vehicle taxes are a lien upon the vehicle
26 on which they are due. Penalties for late payment which are
27 comparable to the penalties for late payment of state regis-
28 tration fees shall be imposed by the ordinance or resolu-
29 tion imposing a local vehicle tax. Willful violation of a
30 local vehicle tax ordinance or resolution is a simple
31 misdemeanor.

32 Sec. 5. NEW SECTION. LOCAL INCOME SURTAX. An annual
33 local income surtax may be imposed by a city or county on
34 every resident taxpayer at the rate specified on the ballot
35 proposition applied to the taxpayer's computed state individual

1 income tax for the tax year.

2 For purposes of the local income surtax, "resident taxpayer"
3 means an individual taxpayer whose principal place of residence
4 at the end of the taxpayer's tax year is located in the city
5 or unincorporated area of the county where the tax is imposed
6 and "computed state individual income tax" means the tax
7 computed under section 422.5 less the deductions allowed in
8 section 422.12.

9 Sec. 6. NEW SECTION. ADMINISTRATION. A local income
10 surtax or change in the rate shall be imposed January 1
11 following the favorable election for tax years beginning on
12 or after January 1 and repeal of the surtax shall be as of
13 December 31 following the favorable election for tax years
14 beginning after December 31.

15 The director of revenue shall administer the provisions
16 of a local income surtax as nearly as possible in conjunction
17 with the administration of state income tax laws. The director
18 shall provide appropriate forms, or provide on the regular
19 state tax forms, for reporting local income surtax.

20 An ordinance of a city council or resolution of a county
21 board of supervisors imposing a local income surtax shall
22 adopt by reference the applicable provisions of the appropriate
23 sections of chapter 422, division II. All powers of the
24 director and requirements of the director in administering
25 the state income tax law apply to the administration of a
26 local income surtax, including but not limited to, the
27 provisions of sections 422.20, 422.22 to 422.31, 422.68, and
28 422.72 to 422.75. Local officials shall confer with the
29 director of revenue and obtain the director's assistance in
30 drafting the ordinance or resolution imposing a local income
31 surtax. A certified copy of the ordinance or resolution shall
32 be filed with the director as soon as possible after passage.

33 The director, in consultation with local officials, shall
34 collect and account for a local income surtax and any interest
35 and penalties. The director shall credit local income surtax

1 receipts and any interest and penalties collected from returns
2 filed on or before November 1 of the calendar year following
3 the tax year for which the local income surtax is imposed
4 to a "local income surtax fund" established in the office
5 of the treasurer of state. All local income surtax receipts
6 and any interest and penalties received or refunded from
7 returns filed after November 1 of the calendar year following
8 the tax year for which the local income surtax is imposed
9 shall be deposited in or withdrawn from the state general
10 fund and shall be considered part of the cost of administering
11 the local income surtax.

12 Sec. 7. NEW SECTION. PAYMENT TO LOCAL GOVERNMENT--USE
13 OF RECEIPTS.

14 1. On or before January 15, the director of revenue shall
15 make an accounting of the local income surtax receipts and
16 any interest and penalties collected from returns filed on
17 or before November 1 of the preceding year and shall certify
18 to the treasurer of state this amount collected. The treasurer
19 of state shall remit within fifteen days of the certification
20 by the director of revenue to each city and county which has
21 imposed a local income surtax the amount in the local income
22 surtax fund collected as a result of its tax.

23 2. Local income surtax moneys received by a city or county
24 may be expended for any lawful purpose of the city or county
25 which imposed the tax.

26 Sec. 8. NEW SECTION. LOCAL SALES AND SERVICES TAX. A
27 local sales and services tax at the rate of one percent may
28 be imposed by a county on the gross receipts taxed by the
29 state under chapter 422, division IV. A local sales and
30 services tax shall be imposed on the same basis as the state
31 sales and services tax and may not be imposed on the sale
32 of any property or on any service not taxed by the state.
33 A local sales and services tax is applicable to transactions
34 within the incorporated and unincorporated area of the county
35 where it is imposed and shall be collected by all persons

1 required to collect state gross receipts taxes.

2 The amount of the sale, for purposes of determining the
3 amount of the local sales and services tax, does not include
4 the amount of any state gross receipts taxes.

5 A tax permit other than the state tax permit required under
6 section 422.53 shall not be required by local authorities.

7 Sec. 9. NEW SECTION. ADMINISTRATION. A local sales and
8 services tax shall be imposed either January 1, April 1, July
9 1 or October 1 following the notification of the director
10 of revenue.

11 A local sales and services tax shall be repealed only on
12 March 31, June 30, September 30, or December 31. At least
13 fifty-five days before the imposition or repeal of the tax,
14 a county shall provide notice of the action by certified mail
15 to the director of revenue.

16 The director of revenue shall administer a local sales
17 and services tax as nearly as possible in conjunction with
18 the administration of state gross receipts tax laws. The
19 director shall provide appropriate forms or provide on the
20 regular state tax forms for reporting local sales and services
21 tax liability.

22 The resolution of a county board of supervisors imposing
23 a local sales and services tax shall adopt by reference the
24 applicable provisions of the appropriate sections of chapter
25 422, division IV. All powers and requirements of the director
26 to administer the state gross receipts tax law are applicable
27 to the administration of a local sales and services tax law,
28 including but not limited to, the provisions of sections
29 422.25, subsection 4, 422.30, 422.48 to 422.52, 422.54 to
30 422.58, 422.67, 422.68, 422.69, subsection 1, and 422.70 to
31 422.75. Local officials shall confer with the director of
32 revenue for assistance in drafting the resolution imposing
33 a local sales and services tax. A certified copy of the
34 resolution shall be filed with the director as soon as possible
35 after passage.

1 The director, in consultation with local officials, shall
2 collect and account for a local sales and services tax. The
3 director shall certify each quarter the amount of local sales
4 and services tax receipts and any interest and penalties to
5 be credited to the "local sales and services tax fund"
6 established in the office of the treasurer of state.

7 All local tax moneys and interest and penalties received
8 or refunded one hundred eighty days or more after the date
9 on which the county repeals its local sales and services tax
10 shall be deposited in or withdrawn from the state general
11 fund.

12 Sec. 10. NEW SECTION. PAYMENT TO LOCAL GOVERNMENTS.

13 1. The treasurer of state shall credit the local sales
14 and services tax receipts and interest and penalties from
15 a county to the county's account in the local sales and
16 services tax fund.

17 2. The treasurer of state, pursuant to rules of the
18 director of revenue, shall remit at least quarterly to the
19 board of supervisors and each city its share of the county's
20 account in the local sales and services tax fund as computed
21 under subsections 3 and 4.

22 3. Fifty percent of each county's account shall be remitted
23 on the basis of the county's population as follows:

24 a. To the board of supervisors a pro rata share based
25 upon the percentage of population of the county residing in
26 the unincorporated area of the county according to the most
27 recent certified federal census.

28 b. To each city in the county a pro rata share based upon
29 the percentage of the city's population residing in the county
30 to the total population of the county according to the most
31 recent certified federal census.

32 4. Fifty percent of each county's account shall be remitted
33 based on the sum of property tax dollars levied by the board
34 of supervisors and each city in the county during the previous
35 fiscal year as follows:

1 a. To the board of supervisors a pro rata share based
2 upon the percentage of property tax dollars levied by the
3 board of supervisors during the previous fiscal year of the
4 total property tax dollars levied by the board of supervisors
5 and each city during the previous fiscal year.

6 b. To each city council a pro rata share based upon the
7 percentage of property tax dollars levied by the city during
8 the previous fiscal year of the total property tax dollars
9 levied by the board of supervisors and each city during the
10 previous fiscal year.

11 5. Local sales and services tax moneys received by a city
12 or county may be expended for any lawful purpose of the city
13 or county.

14 Sec. 11. NEW SECTION. LOCAL PAYROLL TAX. A city or
15 county may impose an annual payroll tax at the rate specified
16 on the ballot proposition on the payroll expense of employers
17 who in connection with their business or trade hire, employ,
18 contract, or engage one or more individuals to perform work
19 or render services in whole or in part in the city or
20 unincorporated area of the county imposing the tax. The
21 amount of the payroll expense of the business or trade subject
22 to the tax is the amount of the wages, as defined in section
23 422.4 which are subject to withholding of Iowa individual
24 income tax which is attributable to the work performed or
25 services rendered by the individuals in the city or
26 unincorporated area of the county imposing the tax. The tax
27 shall not be imposed on employers who are federal, state,
28 or political subdivisions of the state, or any of their
29 instrumentalities.

30 Sec. 12. NEW SECTION. ADMINISTRATION. A local payroll
31 tax or change in the rate shall be imposed on January 1
32 following the favorable election and any repeal of the tax
33 shall be as of December 31 following the favorable election.
34 The tax shall be imposed on the payroll expense incurred in
35 a calendar year and shall be paid to the department of revenue

1 on a quarterly basis at the same time as the filing of the
2 quarterly state withholding of income tax deposit form.

3 The director of revenue shall administer the provisions
4 of a local payroll tax as nearly as possible in conjunction
5 with the administration of the state withholding of income
6 tax law. The director shall provide appropriate forms, or
7 provide on the quarterly state withholding deposit forms,
8 for reporting local payroll tax liability.

9 An ordinance of a city council or resolution of a county
10 board of supervisors imposing a local payroll tax shall adopt
11 by reference the applicable provisions of the appropriate
12 sections of chapter 422, division II. All powers of the
13 director and requirements of the director in administering
14 the state withholding of income tax law apply to the
15 administration of a local payroll tax, including but not
16 limited to, the provisions of sections 422.20, 422.22 to
17 422.31, 422.68, and 422.72 to 422.75. Local officials shall
18 confer with the director of revenue and obtain the director's
19 assistance in drafting the ordinance or resolution imposing
20 a local payroll tax. A certified copy of the ordinance or
21 resolution shall be filed with the director as soon as possible
22 after passage.

23 The director, in consultation with local officials, shall
24 collect and account for a local payroll tax and any interest
25 and penalties. The director shall certify each quarter the
26 amount of local payroll tax receipts and any interest and
27 penalties collected to be credited to a "local payroll tax
28 fund" established in the office of the treasurer of state.
29 All local payroll tax receipts and any interest and penalties
30 received or refunded one hundred eighty days or more after
31 the date on which the city or county repeals its local payroll
32 tax shall be deposited in or withdrawn from the state gen-
33 eral fund.

34 Sec. 13. NEW SECTION. PAYMENT TO LOCAL GOVERNMENT--USE
35 OF RECEIPTS.

1 1. During each calendar quarter, the treasurer of state
2 shall remit pursuant to rules of the director of revenue to
3 each city and county which has imposed a local payroll tax
4 the amount in the local payroll tax fund collected as a result
5 of its tax.

6 2. Local payroll tax moneys received by a city or county
7 may be expended for any lawful purpose of the city or county
8 which imposed the tax.

9 Sec. 14. Section 321.30, Code 1983, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. If any local vehicle taxes due have not
12 been paid.

13 Sec. 15. Section 321.130, Code 1983, is amended to read
14 as follows:

15 321.130 FEES IN LIEU OF TAXES. The registration fees
16 imposed by this chapter upon private passenger motor vehicles
17 or semitrailers ~~shall-be~~ are in lieu of all state taxes,
18 ~~general-or~~ and local personal property taxes based upon
19 assessed valuation, to which motor vehicles or semitrailers
20 ~~may-be~~ are subject, and if a motor vehicle or semitrailer
21 ~~shall-have~~ has been registered at any time under this chapter
22 it shall not thereafter be subject to a personal property
23 tax based upon assessed valuation, unless ~~such~~ the motor
24 vehicle or semitrailer ~~shall-have~~ has been in storage
25 continuously as an unregistered motor vehicle or semitrailer
26 during the preceding registration year.

27 EXPLANATION

28 This bill authorizes both cities and counties to impose
29 an income surtax based upon the state income tax, a payroll
30 tax on the payroll expense account of a trade or business
31 based upon the wages which are subject to the withholding
32 of state income tax and a tax on every state-registered vehicle
33 belonging to a resident or usually kept, garaged, or stored
34 within the limits of the city or county and authorizes a
35 county to impose a sales and services tax based upon gross

1 receipts subject to state sales and services tax.

2 An income surtax, sales and services tax, and payroll tax
3 will be administered by the state director of revenue in much
4 the same way as the comparable state tax is administered or
5 in case of the payroll tax in the manner that the withholding
6 of state income tax is administered. A local vehicle tax
7 will be administered by county and state officials.

8 Local taxes shall be imposed, have the rate changed, or
9 be repealed only after a favorable vote at an election. If
10 a city imposes a tax, it applies only within the incorporated
11 area. If a county imposes a tax, it applies only within the
12 unincorporated area of the county, except that a sales and
13 services tax applies countywide. The election can be held
14 by motion of the city council or board of supervisors but
15 must be held if a valid petition is presented to the council
16 or board. The election for the sales and services tax can
17 be held by motion of the board of supervisors but must be
18 held if a majority of the cities and the county petition for
19 it. The election must specify the type of tax and the rate
20 at which it is to be imposed. The rates are up to thirty
21 percent in increments of five percent for the income surtax,
22 up to two percent in increments of one-half of one percent
23 for the payroll tax, one percent for the sales and services
24 tax, and any dollar amount per axle for the vehicle tax.
25 The governing body sets the rate of tax which must be on the
26 ballot proposition. Tax receipts may be spent for any lawful
27 purpose.

28 The bill takes effect July 1 following enactment.

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SENATE FILE 289

S-3134

- 1 Amend Senate File 289 as follows:
- 2 1. Page 1, line 3, by striking the words "or a
- 3 county".
- 4 2. Page 1, by striking line 4 and inserting in
- 5 lieu thereof the words "council local option".
- 6 3. Page 1, by striking lines 12 through 15 and
- 7 inserting in lieu thereof the words "boundaries of
- 8 that city."
- 9 4. Page 1, lines 20 and 21, by striking the words
- 10 "except a local sales and services tax,".
- 11 5. Page 1, lines 24 and 25, by striking the words
- 12 "which shall not be a local sales and services tax".
- 13 6. By striking page 1, line 26 through page 2,
- 14 line 12.
- 15 7. Page 2, by striking lines 15 through 17, and
- 16 inserting in lieu thereof the words "election or city
- 17 regular election which shall not be held sooner than".
- 18 8. Page 2, line 24, by striking the words "or
- 19 county".
- 20 9. Page 2, line 27, by striking the words "or
- 21 county".
- 22 10. Page 2, line 29, by striking the words "or
- 23 county".
- 24 11. Page 3, lines 1 and 2, by striking the words
- 25 "or that county, as applicable,".
- 26 12. Page 3, line 9, by striking the figures "4,
- 27 5,".
- 28 13. Page 3, line 29, by striking the words "or
- 29 county".
- 30 14. Page 3, line 34, by striking the words "or
- 31 county".
- 32 15. Page 4, lines 2 and 3, by striking the words
- 33 "or unincorporated area of the county".
- 34 16. Page 4, line 7, by striking the words "or
- 35 unincorporated area of a county".
- 36 17. Page 4, line 24, by striking the words "or
- 37 resolution".
- 38 18. Page 4, line 25, by striking the words "or
- 39 resolution".
- 40 19. Page 4, line 34, by striking the words "and
- 41 county".
- 42 20. Page 5, line 1, by striking the words "or
- 43 county".
- 44 21. Page 5, line 2, by striking the words "or
- 45 county".
- 46 22. Page 5, lines 3 and 4, by striking the words
- 47 "or the secondary road fund of that county".
- 48 23. Page 5, lines 28 and 29, by striking the words
- 49 "or resolution".
- 50 24. Page 5, line 30, by striking the words "or

S-3134
PAGE 2

- 1 resolution".
- 2 25. Page 5, line 33, by striking the words "or
- 3 county".
- 4 26. Page 6, line 5, by striking the words "or
- 5 unincorporated area of the county".
- 6 27. Page 6, lines 20 and 21, by striking the words
- 7 "or resolution of a county board of supervisors".
- 8 28. Page 6, line 30, by striking the words "or
- 9 resolution".
- 10 29. Page 6, line 31, by striking the words "or
- 11 resolution".
- 12 30. Page 7, line 20, by striking the words "and
- 13 county".
- 14 31. Page 7, line 23, by striking the words "or
- 15 county".
- 16 32. Page 7, line 24, by striking the words "or
- 17 county".
- 18 33. Page 7, line 28, by striking the word "county"
- 19 and inserting in lieu thereof the word "city".
- 20 34. Page 7, line 34, by striking the words "and
- 21 unincorporated".
- 22 35. Page 7, line 34, by striking the word "county"
- 23 and inserting in lieu thereof the word "city".
- 24 36. Page 8, line 14, by striking the word "county"
- 25 and inserting in lieu thereof the word "city".
- 26 37. Page 8, by striking line 22, and inserting
- 27 in lieu thereof the words "The ordinance of the city
- 28 council imposing".
- 29 38. Page 8, line 34, by striking the word
- 30 "resolution" and inserting in lieu thereof the word
- 31 "ordinance".
- 32 39. Page 9, line 9, by striking the word "county"
- 33 and inserting in lieu thereof the word "city".
- 34 40. Page 9, line 15, by striking the words "county
- 35 to the county's" and inserting in lieu thereof the
- 36 words "city to the city's".
- 37 41. By striking page 9, line 19 through page 10,
- 38 line 10, and inserting in lieu thereof the words "city
- 39 the amount in its account in the local sales and
- 40 services tax fund."
- 41 42. Page 10, line 12, by striking the words "or
- 42 county".
- 43 43. Page 10, line 13, by striking the words "or
- 44 county".
- 45 44. Page 10, lines 14 and 15, by striking the words
- 46 "or county".
- 47 45. Page 10, lines 19 and 20, by striking the
- 48 words "or unincorporated area of the county".
- 49 46. Page 10, lines 25 and 26, by striking the
- 50 words "or unincorporated area of the county".

MARCH 1, 1983

S-3134

PAGE 3

- 1 47. Page 11, lines 9 and 10, by striking the words
- 2 "or resolution of a county board of supervisors".
- 3 48. Page 11, line 19, by striking the words "or
- 4 resolution".
- 5 49. Page 11, lines 20 and 21, by striking the
- 6 words "or resolution".
- 7 50. Page 11, line 31, by striking the words "or
- 8 county".
- 9 51. Page 12, line 3, by striking the words "and
- 10 county".
- 11 52. Page 12, line 6, by striking the words "or
- 12 county".
- 13 53. Page 12, line 7, by striking the words "or
- 14 county".
- 15 54. Title page, line 3, by striking the words
- 16 "or county".
- 17 55. By renumbering and correcting internal
- 18 references as necessary.

S-3134 FILED

BY DALE TIEDEN

FEBRUARY 25, 1983

Placed out of order 2/3/83 (\$600)

SENATE FILE 289

S-3133

Amend Senate File 289 as follows:

- 1 Page 2, by striking lines 25 through 28 and
- 2 inserting in lieu thereof the words "the vehicle tax
- 3 shall be a dollar amount".
- 4
- 5 2. Page 3, line 23, by striking the words "a local
- 6 payroll tax,".
- 7
- 8 3. Page 3, by striking lines 26 and 27, and
- 9 inserting in lieu thereof the words "surtax, and a
- 10 dollar amount per axle".
- 11
- 12 4. Page 3, line 30, by striking the words "payroll
- 13 tax,".
- 14
- 15 5. By striking page 10, line 14 through page 12,
- 16 line 8.
- 17
- 18 6. Title page, lines 2 and 3, by striking the
- 19 words ", and payroll tax".
- 20
- 21 7. By renumbering and correcting internal
- 22 references as necessary.

S-3133 FILED

BY GEORGE KINLEY

FEBRUARY 24, 1983

JAMES V. GALLAGHER

Placed out of order 2/3 (\$600)

S-3140

1 Amend Senate File 289 as follows:

2 1. Page 2, line 25, by striking the word "one-
3 half" and inserting in lieu thereof the word "one-
4 fourth".

5 2. Page 2, line 26, by striking the word "two"
6 and inserting in lieu thereof the word "one".

7 3. Page 3, line 26, by striking the words "two
8 percent in increments of one-half" and inserting in
9 lieu thereof the words "one percent in increments
10 of one-fourth".

11 4. Page 6, line 1, by inserting after the word
12 "year." the words "A city or county imposing an income
13 surtax shall give a credit, not to exceed the amount
14 of surtax, for any local payroll tax paid by the
15 resident taxpayer on income included in computing
16 the taxpayer's state individual income tax for the
17 tax year."

18 5. Page 10, line 16, by striking the words "expense
19 of employers" and inserting in lieu thereof the words
20 "received by resident and nonresident employees".

21 6. Page 10, lines 17 and 18, by striking the words
22 "business or trade hire, employ, contract, or engage
23 one or more individuals to" and inserting in lieu
24 thereof the word "employment".

25 7. Page 10, line 21, by striking the words "expense
26 of the business or trade" and inserting in lieu thereof
27 the words "received by employees".

28 8. Page 10, line 26, by striking the words "The
29 tax".

30 9. Page 10, by striking lines 27 through 29.

31 10. Page 10, line 34, by striking the words
32 "expense incurred" and inserting in lieu thereof the
33 words "received by resident and nonresident employees".

34 11. Page 10, line 35, by inserting after the words
35 "shall be" the words "withheld by the employer from
36 the employee's compensation and".

S-3140 FILED

BY NORMAN G. RODGERS

MARCH 1, 1983

Adopted as amended by 3166 3/4 (p. 623)

SENATE FILE 289

S-3138

1 Amend Senate File 289 as follows:

2 1. Page 4, line 12, by striking the word "means"
3 and inserting in lieu thereof the words "and
4 "registration year" mean".

5 2. Page 4, line 19, by inserting after the word
6 "election" the words "for registration years beginning
7 on or after that date".

8 3. Page 4, line 21, by inserting after the word
9 "election" the words "for registration years beginning
10 on or after that date".

11 4. Page 4, by striking line 33 and inserting in
12 lieu thereof the words "monthly to each city".

13 5. Page 4, line 35, by inserting after the word
14 "tax" the words "during the preceding calendar month".

15 6. Page 5, line 8, by inserting after the figure
16 "321" the words "for the registration year".

17 7. Page 5, line 22, by inserting before the word
18 "year" the word "registration".

S-3138 FILED

Adopted 2/3/83

BY DAVID M. READINGER

MARCH 1, 1983

(p. 604)

MARCH 2, 1983

SENATE FILE 289

S-3139

- 1 Amend Senate File 289 as follows:
- 2 1. Page 1, by striking lines 13 through 15 and
- 3 inserting in lieu thereof the words "only apply to
- 4 unincorporated areas of that county."
- 5 2. Page 1, lines 20 and 21, by striking the words
- 6 "except a local sales and services tax,".
- 7 3. Page 1, lines 24 and 25, by striking the words
- 8 "which shall not be a local sales and services tax".
- 9 4. Page 1, lines 31 and 32, by striking the words
- 10 "except a local sales and services tax,".
- 11 5. Page 1, line 35 to page 2, line 1, by striking
- 12 the words "which shall not be a local sales and
- 13 services tax".
- 14 6. Page 2, by striking lines 3 through 12.
- 15 7. Page 2, lines 20 and 21, by striking the words
- 16 "and in the case of a local sales and services tax
- 17 the date it will be imposed".
- 18 8. Page 2, by striking lines 25 through 28 and
- 19 inserting in lieu thereof the words "the vehicle tax
- 20 shall be a dollar amount".
- 21 9. Page 2, lines 30 and 31, by striking the words
- 22 "The rate of a local sales and services tax shall
- 23 be one percent."
- 24 10. Page 3, line 9, by striking the figure "5,".
- 25 11. Page 3, by striking line 23, and inserting
- 26 in lieu thereof the words "and a".
- 27 12. Page 3, by striking lines 26 and 27, and
- 28 inserting in lieu thereof the words "surtax, and a
- 29 dollar amount per axle".
- 30 13. Page 3, by striking lines 30 and 31, and
- 31 inserting in lieu thereof the words "the surtax or
- 32 vehicle tax."
- 33 14. By striking page 7, line 26 through page 12,
- 34 line 8.
- 35 15. Title page, by striking line 2, and inserting
- 36 in lieu thereof the words "surtax and vehicle".
- 37 16. By numbering, renumbering and correcting
- 38 internal references as are necessary.

S-3139 FILED

BY EDGAR H. HOLDEN

MARCH 1, 1983

Placed out of order 2/3 (p. 603)

SENATE FILE 289

S-3137

- 1 Amend Senate File 289 as follows:
- 2 1. Page 7, line 29, by inserting after the Roman
- 3 numeral "IV" the words "except that the gross receipts
- 4 taxed under chapter 422A shall not be taxed".

S-3137 FILED

BY DAVID M. READINGER

MARCH 1, 1983

Adopted 3/3 (p. 604)

SENATE FILE 289

S-3144

1 Amend Senate File 289 as follows:

2 1. Page 2, line 31, by inserting after the word
3 "percent." the words "The rate of a local earnings
4 tax shall be set by the governing body of the city
5 or county seeking to impose the tax."

6 2. Page 3, line 23, by inserting after the words
7 "services tax," the words "a local earnings tax,".

8 3. Page 3, line 27, by inserting after the words
9 "payroll tax," the words "any percent rate for the
10 earnings tax,".

11 4. Page 3, line 30, by inserting after the words
12 "payroll tax," the words "earnings tax,".

13 5. Page 6, line 1, by inserting after the word
14 "year." the words "A city or county imposing an income
15 surtax shall give a credit, not to exceed the amount
16 of surtax, for any local earnings tax paid by the
17 resident taxpayer on income included in computing
18 the taxpayer's state individual income tax for the
19 tax year."

20 6. Page 10, line 29, by inserting after the word
21 "instrumentalities." the words "A city or county
22 imposing a payroll tax shall give a credit, not to
23 exceed the amount of payroll tax, for the amount of
24 earnings tax paid to that city or county by the
25 employer on the net profits of the employer's trade
26 or business for the tax year beginning in the calendar
27 year for which the payroll tax is imposed."

28 7. Page 12, by inserting after line 8 the
29 following:

30 "Sec. 14. NEW SECTION. LOCAL EARNINGS TAX.

31 1. A city or county may impose an annual earnings
32 tax at the rate specified on the ballot proposition
33 on any one or combination of the following:

34 a. Wages, salaries, commissions, and other
35 compensation of resident and nonresident individuals
36 derived from work performed or services rendered
37 within the city or unincorporated area of the county
38 imposing the tax.

39 b. Net profits derived from a trade or business
40 carried on within the city or unincorporated area
41 of the county imposing the tax of resident and
42 nonresident individuals as a professional corporation,
43 partnership, association, or other unincorporated
44 entity, or as a corporation the income of which is
45 taxed to the stockholders for federal tax purposes.

46 c. Net profits derived from a trade or business
47 carried on within the city or unincorporated area
48 of the county imposing the tax of corporations, the
49 income of which is not taxed to the stockholder for
50 federal tax purposes.

1 2. For purposes of the local earnings tax "resident
2 individual" means resident taxpayer as defined in
3 section 5 of this Act, "nonresident individual" means
4 an individual who is not a resident individual, "net
5 profits derived from a trade or business" means, in
6 the case of resident and nonresident individuals,
7 the amount of net income computed under sections 422.7
8 and 422.8 attributable to business activity in the
9 state and means, in the case of corporations, the
10 amount of net income computed under section 422.33
11 attributable to business activity in the state. If
12 the trade or business is not carried on wholly within
13 the city or unincorporated area of the county imposing
14 the tax, the net profits derived from a trade or
15 business that are subject to the local earnings tax
16 shall be reasonably apportioned to the city or
17 unincorporated area of the county by means of the
18 business activity ratio of the trade or business as
19 provided in rules adopted by the department of revenue.
20 If the compensation received for work performed or
21 services rendered is for work performed or services
22 rendered both within and without the city or
23 unincorporated area of the county imposing the tax,
24 the amount of compensation of an individual derived
25 from work performed or services rendered that is
26 subject to the local earnings tax shall be reasonably
27 apportioned to the city or unincorporated area of
28 the county by means of a work activity ratio as
29 provided in rules adopted by the department of revenue.

30 Sec. 15. NEW SECTION. ADMINISTRATION. A local
31 earnings tax or change in the rate shall be imposed
32 January 1 following the favorable election for tax
33 years beginning on or after January 1 and repeal of
34 the tax shall be as of December 31 following the
35 favorable election for tax years beginning after
36 December 31.

37 The director of revenue shall administer the
38 provisions of a local earnings tax as nearly as
39 possible in conjunction with the administration of
40 state income tax laws. The director shall provide
41 appropriate forms, or provide on the regular state
42 tax forms, for reporting local earnings tax.

43 An ordinance of a city council or resolution of
44 a county board of supervisors imposing a local earnings
45 tax shall adopt by reference the applicable provisions
46 of the appropriate sections of chapter 422, divisions
47 II and III. All powers of the director and
48 requirements of the director in administering the
49 state income tax law apply to the administration of
50 a local earnings tax, including but not limited to,

S-3144
PAGE 3

1 the provisions of sections 422.20, 422.22 to 422.31,
2 422.68, and 422.72 to 422.75. Local officials shall
3 confer with the director of revenue and obtain the
4 director's assistance in drafting the ordinance or
5 resolution imposing a local earnings tax. A certified
6 copy of the ordinance or resolution shall be filed
7 with the director as soon as possible after passage.

8 The director, in consultation with local officials,
9 shall collect and account for a local earnings tax
10 and any interest and penalties. The director shall
11 credit local earnings tax receipts and any interest
12 and penalties collected from returns filed on or
13 before November 1 of the calendar year following the
14 tax year for which the local earnings tax is imposed
15 to a "local earnings tax fund" established in the
16 office of the treasurer of state. All local earnings
17 tax receipts and any interest and penalties received
18 or refunded from returns filed after November 1 of
19 the calendar year following the tax year for which
20 the local earnings tax is imposed shall be deposited
21 in or withdrawn from the state general fund and shall
22 be considered part of the cost of administering the
23 local earnings tax.

24 Sec. 16. NEW SECTION. PAYMENT TO LOCAL GOVERNMENT-
25 -USE OF RECEIPTS.

26 1. On or before January 15, the director of revenue
27 shall make an accounting of the local earnings tax
28 receipts and any interest and penalties collected
29 from returns filed on or before November 1 of the
30 preceding year and shall certify to the treasurer
31 of state this amount collected. The treasurer of
32 state shall remit within fifteen days of the cer-
33 tification by the director of revenue to each city
34 and county which has imposed a local earnings tax
35 the amount in the local earnings tax fund collected
36 as a result of its tax.

37 2. Local earnings tax moneys received by a city
38 or county may be expended for any lawful purpose of
39 the city or county which imposed the tax."

40 8. Title page, line 2, by inserting after the
41 words "services tax," the words "earnings tax,".

42 9. By renumbering and correcting internal
43 references as necessary.

S-3144 FILED
MARCH 1, 1983

BY JULIA GENTLEMAN

Placed out of order 2/4 (p. 623)

MARCH 2, 1983

SENATE FILE 289

S-3143

- 1 Amend Senate File 289 as follows:
2 1. Page 1, by striking lines 13 through 15 and
3 inserting in lieu thereof the words "only apply to
4 unincorporated areas of that county."
5 2. Page 1, lines 20 and 21, by striking the words
6 "except a local sales and services tax,".
7 3. Page 1, lines 24 and 25, by striking the words
8 "which shall not be a local sales and services tax".
9 4. Page 1, lines 31 and 32, by striking the words
10 "except a local sales and services tax,".
11 5. Page 1, line 35 to page 2, line 1, by striking
12 the words "which shall not be a local sales and
13 services tax".
14 6. Page 2, by striking lines 3 through 12.
15 7. Page 3, line 9, by striking the figure "5,".
16 8. Page 7, line 28, by inserting after the words
17 "imposed by" the words "a city or".
18 9. Page 7, line 34, by striking the words
19 "incorporated and" and inserting in lieu thereof the
20 words "city or".
21 10. Page 8, line 14, by inserting after the word
22 "county" the words "or city where it is to be imposed".
23 11. Page 8, line 22, by inserting after the word
24 "supervisors" the words "or an ordinance of a city
25 council".
26 12. Page 8, line 32, by inserting after the word
27 "resolution" the words "or ordinance".
28 13. Page 8, line 34, by inserting after the word
29 "resolution" the words "or ordinance".
30 14. Page 9, line 9, by inserting after the word
31 "county" the words "or city".
32 15. By striking page 9, line 13 through page 10, line
33 10 and inserting in lieu thereof the following:
34 "1. The treasurer of state, pursuant to rules
35 of the director of revenue, shall remit at least
36 quarterly to each city and county which has imposed
37 a local sales and services tax the amount in the local
38 sales and services tax fund collected as a result
39 of its tax."
40 16. By numbering, renumbering and correcting
41 internal references as are necessary.

S-3143 FILED
MARCH 1, 1983

BY DALE TIEDEN

Placed out of order 2/3 (p. 603)

SENATE FILE 289

S-3145

1 Amend Senate File 289 as follows:

2 1. Page 4, line 35, by striking the word "Moneys"
3 and inserting in lieu thereof the words "Fifty percent
4 of the moneys".

5 2. Page 5, line 4, by inserting after the word
6 "county." the words and figure "The remaining fifty
7 percent of the moneys received by a city or county
8 shall provide property tax relief as provided in
9 section 20 of this Act."

10 3. Page 7, line 23, by striking the word "Local"
11 and inserting in lieu thereof the words "Fifty percent
12 of the local".

13 4. Page 7, line 25, by inserting after the word
14 "tax." the words and figure "The remaining fifty
15 percent of the moneys received by a city or county
16 shall provide property tax relief as provided in
17 section 20 of this Act."

18 5. Page 10, line 11, by striking the word "Local"
19 and inserting in lieu thereof the words "Fifty percent
20 of the local".

21 6. Page 10, line 13, by inserting after the word
22 "county." the words and figure "The remaining fifty
23 percent of the moneys received by a city or county
24 shall provide property tax relief as provided in
25 section 20 of this Act."

26 7. Page 12, line 6, by striking the word "Local"
27 and inserting in lieu thereof the words "Fifty percent
28 of the local".

29 8. Page 12, line 8, by inserting after the word
30 "tax." the words and figure "The remaining fifty
31 percent of the moneys received by a city or county
32 shall provide property tax relief as provided in
33 section 20 of this Act."

34 9. Page 12, by inserting after line 8 the follow-
35 ing:

36 "Sec. 20. NEW SECTION. PROPERTY TAX RELIEF.
37 The financial officer of the city or the county
38 treasurer, as applicable shall credit fifty percent
39 of the local vehicle tax, local income surtax, local
40 sales and services tax, and local payroll tax received
41 to a special account for property tax relief to be
42 granted as provided in subsection 1 for a city or
43 subsection 2 for a county.

44 1. Before the levy rates authorized under sections
45 384.1 and 384.12 are certified by a city to the county
46 auditor, the certifying official shall subtract from
47 the total amount computed in dollars, as provided
48 in section 444.2, an amount equal to the amount
49 credited to the special account for property tax
50 relief during the last preceding twelve-month period

1 and shall certify only the net amount to the county
2 auditor and board of supervisors and shall identify
3 for what purposes the funds received for property
4 tax relief are to be used. The county auditor shall
5 determine the levy rates under section 444.3 upon
6 the net amount so computed.

7 2. Before the levy rates authorized under sections
8 331.421, subsections 10 and 11, and 331.422,
9 subsections 12, 15, 17, and 27, and other sections
10 which limit the levy only to property outside
11 incorporated areas are certified by a county to the
12 county auditor, the certifying official shall subtract
13 from the total amount computed in dollars, as provided
14 in section 444.2, an amount equal to the amount
15 credited to the special account for property tax
16 relief during the last preceding twelve-month period
17 and shall certify only the net amount and shall
18 identify for what purposes the funds received for
19 property tax relief are to be used. The county auditor
20 shall determine the levy rates under section 444.3
21 upon the net amount so computed."

22 10. Page 12, by inserting after line 26 the
23 following:

24 "Sec. ____ . Section 444.3, Code 1983, is amended
25 by adding the following new unnumbered paragraph after
26 unnumbered paragraph 1:

27 NEW UNNUMBERED PARAGRAPH. However, in computing
28 the tax rate under the preceding paragraph for a city
29 or county which has imposed a local option tax
30 authorized in sections 1 through 13 of this Act, the
31 county auditor shall determine if the sum of the net
32 amount certified and the amount deducted in determining
33 that net amount under subsection 1 or 2 of section
34 20 of this Act would exceed the amount which could
35 be raised by the rate authorized by law. If the
36 county auditor determines that this sum would exceed
37 that amount, the county auditor shall reduce the net
38 amount certified by the excess and determine the tax
39 rate under the preceding paragraph on this reduced
40 amount."

41 11. By numbering, renumbering, and correcting
42 internal references as necessary.

S-3145 FILED
MARCH 2, 1983

Placed out of order 5/3 (p. 603)

BY CALVIN HULTMAN
JOHN N. NYSTROM
JACK W. HESTER

SENATE FILE 289

S-3151

Amend Senate File 289 as follows:

1. Page 7, by inserting after line 13 the following:
 1. On or before July 15 of each year, the treasurer of state shall remit to each city and county ninety percent of the moneys in the local income surtax fund which were collected as a result of its income surtax."
2. Page 7, line 22, by inserting after the word "tax" the words "which was not remitted pursuant to subsection 1. If the amount remitted under subsection 1 was in excess of the amount certified by the director under this subsection, the treasurer of state shall make an adjustment in next year's disbursement to that city or county or shall obtain a refund from that city or county".

S-3151 FILED
MARCH 2, 1983

BY ARNE WALDSTEIN

Adopted as amended by 3165 3/4 (p. 625)

SENATE FILE 289

S-3146

- Amend Senate File 289 as follows:
1. Page 1, line 9, by striking the words "until repealed" and inserting in lieu thereof the words "for a period of years".
 2. Page 3, by striking lines 3 through 10 and inserting in lieu thereof the words "for two years. At the election immediately preceding the end of the two-year period, the governing body shall submit the question of the continuation of the same type of tax at the same or different rate. If a majority of those voting on this question favors the continuation of the tax, the governing body shall continue the same tax at the rate expressed on the ballot proposition for an additional two years after the end of the existing period and shall continue to submit the question of continuation as provided in this paragraph until a majority of those voting on the question does not favor continuation."
 3. Page 3, line 12, by inserting after the word "repeal," the word "continuation,".

S-3146 FILED
MARCH 2, 1983

BY CALVIN O. HULTMAN

JACK W. HESTER

JOHN N. NYSTROM

Adopted 3/3/83 (p. 600)

SENATE FILE 289

S-3147

1 Amend Senate File 289 as follows:

- 2 1. Page 1, by striking lines 13 through 15 and
3 inserting in lieu thereof the words "only apply to
4 unincorporated areas of that county."
5 2. Page 1, lines 20 and 21, by striking the words
6 "except a local sales and services tax,".
7 3. Page 1, lines 24 and 25, by striking the words
8 "which shall not be a local sales and services tax".
9 4. Page 1, lines 31 and 32, by striking the words
10 "except a local sales and services tax,".
11 5. Page 1, line 35 to page 2, line 1, by striking
12 the words "which shall not be a local sales and
13 services tax".
14 6. Page 2, by striking lines 3 through 12.
15 7. Page 2, lines 20 and 21, by striking the words
16 "and in the case of a local sales and services tax
17 the date it will be imposed".
18 8. Page 2, lines 30 and 31, by striking the words
19 "The rate of a local sales and services tax shall
20 be one percent."
21 9. Page 3, line 9, by striking the figure "5,".
22 10. Page 3, line 23, by striking the words, "a
23 local sales and services tax,".
24 11. Page 3, lines 30 and 31, by striking the words
25 "The rate of a local sales and services tax shall
26 be one percent."
27 12. By striking page 7, line 26 through page 10,
28 line 13.
29 13. Title page, line 2, by striking the words
30 "sales and services tax,".
31 14. By numbering, renumbering and correcting
32 internal references as are necessary.

S-3147 FILED
MARCH 2, 1983

Placed out of order 2/3 (p. 603)

BY DALE L. TIEDEN
BILL HUTCHINS
RICHARD VANDE HOEF
JACK W. HESTER
JACK RIFE

153

1 Amend Senate File 289 as follows:

2 1. Page 1, by striking lines 13 through 15 and
3 inserting in lieu thereof the words "only apply to
4 unincorporated areas of that county."

5 2. Page 1, lines 20 and 21, by striking the words
6 "except a local sales and services tax,".

7 3. Page 1, lines 24 and 25, by striking the words
8 "which shall not be a local sales and services tax".

9 4. Page 1, lines 31 and 32, by striking the words
10 "except a local sales and services tax,".

11 5. Page 1, line 35 to page 2, line 1, by striking
12 the words "which shall not be a local sales and
13 services tax".

14 6. Page 2, line 3, by inserting after the numeral
15 "5." the following: "Notwithstanding subsections
16 2, 3, and 4 a local sales and services tax may be
17 imposed by the county on a county-wide basis as
18 provided in this subsection."

19 7. Page 3, line 3, by inserting after the word
20 "period." the words "However, in the case of a vote
21 on a county-wide local sales and services tax where
22 the population of the unincorporated area is less
23 than fifty percent of the population of the county,
24 the tax shall not be imposed unless a majority of
25 those voting on the question in the whole county favor
26 the imposition and a majority of those voting on the
27 question in the unincorporated area also favor the
28 imposition."

29 8. Page 3, line 6, by inserting after the word
30 "change" the words ", except that a local sales and
31 services tax in effect on the effective date of a
32 county-wide sales and services tax shall be
33 automatically repealed with the imposition of the
34 county-wide tax".

35 9. Page 7, line 28, by inserting after the words
36 "imposed by" the words "a city or".

37 10. Page 7, line 34, by striking the words
38 "incorporated and" and inserting in lieu thereof the
39 words "city or".

40 11. Page 7, line 35, by inserting after the word
41 "imposed" the words "or within the incorporated and
42 unincorporated area of the county if imposed on a
43 county-wide basis".

44 12. Page 8, line 14, by inserting after the word
45 "county" the words "or city where it is to be imposed".

46 13. Page 8, line 22, by inserting after the word
47 "supervisors" the words "or an ordinance of a city
48 council".

49 14. Page 8, line 32, by inserting after the word
50 "resolution" the words "or ordinance".

SENATE
MARCH 4, 1983

S-3153
PAGE 2

- 1 15. Page 8, line 34, by inserting after the word
- 2 "resolution" the words "or ordinance".
- 3 16. Page 9, line 9, by inserting after the word
- 4 "county" the words "or city".
- 5 17. Page 9, line 13, by inserting after the word
- 6 "The" the following: treasurer of state, pursuant
- 7 to rules of the director of revenue, shall remit at
- 8 least quarterly to each city and county which has
- 9 imposed a local sales and services tax the amount
- 10 in the local sales and services tax fund collected
- 11 as a result of its tax unless the tax is imposed
- 12 county-wide and then".
- 13 18. Page 9, line 17, by striking the word "The"
- 14 and inserting in lieu thereof the words "In the case
- 15 of a county-wide local sales and services tax, the".
- 16 19. By numbering, renumbering and correcting
- 17 internal references as are necessary.

S-3153 FILED

BY ARNE WALDSTEIN

MARCH 3, 1983

Ruled out of order 3/4 (p. 623)

SENATE FILE 289

S-3154

- 1 Amend Senate File 289 as follows:
- 2 1. Page 3, line 3, by inserting after the word
- 3 "period." the words "However, in the case of a local
- 4 sales and services tax where the population of the
- 5 unincorporated area of a county voting on the tax
- 6 is less than fifty percent of the population of the
- 7 county, the tax shall not be imposed unless a majority
- 8 of those voting on the question in the whole county
- 9 favor imposition and a majority of those voting on
- 10 the question in the unincorporated area also favor
- 11 the imposition."

S-3154 FILED

BY ARNE WALDSTEIN

MARCH 3, 1983

RULED OUT OF ORDER (p. 603)

SENATE FILE 289

S-3155

- 1 Amend Senate File 289 as follows:
- 2 1. Page 2, line 21, by inserting after the word
- 3 "imposed" the words "and that the gross receipts of
- 4 each sale in excess of fifteen thousand dollars, or
- 5 a lesser amount as set by the board of supervisors,
- 6 shall not be taxed".
- 7 2. Page 7, line 29, by inserting after the Roman
- 8 numeral "IV" the words "except that the gross receipts
- 9 of each sale in excess of the amount that was specified
- 10 on the ballot proposition shall not be taxed".

S-3155 FILED

BY DAVID M. READINGER

MARCH 3, 1983

Ruled out of order 3/4 (p. 623)

SENATE FILE 289

S-3158

1 Amend Senate File 289 as follows:

2 1. Page 1, by striking lines 3 and 4, and inserting
3 in lieu thereof the following:

4 "1. A city or county may impose local option taxes
5 only by forming a consolidated government which may
6 impose by ordinance of the governing body of the
7 consolidated government local option".

8 2. Page 1, line 10, by striking the words "If
9 the tax is".

10 3. Page 1, by striking lines 11 through 15.

11 4. Page 1, line 17, by striking the word "city"
12 and inserting in lieu thereof the words "consolidated
13 government".

14 5. Page 1, line 18, by striking the word "city"
15 and inserting in lieu thereof the words "consolidated
16 government".

17 6. Page 1, lines 20 and 21, by striking the words
18 "except a local sales and services tax, the city
19 council" and inserting in lieu thereof the words "the
20 governing body".

21 7. Page 1, line 22, by striking the word "county"
22 and inserting in lieu thereof the word "local".

23 8. Page 1, by striking lines 24 and 25 and
24 inserting in lieu thereof the words "specified local
25 option tax to the qualified electors of the
26 consolidated government."

27 9. By striking page 1, line 26, through page 2,
28 line 12.

29 10. Page 2, line 13, by striking the word "county"
30 and inserting in lieu thereof the word "local".

31 11. Page 2, by striking lines 15 through 17 and
32 inserting in lieu thereof the words "election which
33 may not be held sooner than".

34 12. Page 2, line 24, by striking the words "city
35 or county" and inserting in lieu thereof the words
36 "consolidated government".

37 13. Page 2, line 27, by striking the words "city
38 or county" and inserting in lieu thereof the words
39 "consolidated government".

40 14. Page 2, line 29, by striking the words "city
41 or county" and inserting in lieu thereof the words
42 "consolidated government".

43 15. Page 3, lines 1 and 2, by striking the words
44 "city or that county, as applicable," and inserting
45 in lieu thereof the words "consolidated government".

46 16. Page 3, line 9, by striking the figures "4,
47 5,".

48 17. Page 3, line 29, by striking the words "city
49 or county" and inserting in lieu thereof the words
50 "consolidated government".

S-3158
PAGE 2

- 1 18. Page 3, line 34, by striking the words "city
2 or county" and inserting in lieu thereof the words
3 "consolidated government".
- 4 19. Page 4, lines 2 and 3, by striking the words
5 "city or unincorporated area of the county" and
6 inserting in lieu thereof the words "territorial
7 limits of the consolidated government".
- 8 20. Page 4, by striking line 7 and inserting in
9 lieu thereof the words "the territorial limits of
10 the consolidated government".
- 11 21. Page 4, line 24, by striking the words "or
12 resolution".
- 13 22. Page 4, line 25, by striking the words "or
14 resolution".
- 15 23. Page 4, lines 33 and 34, by striking the words
16 "city and county" and inserting in lieu thereof the
17 words "consolidated government".
- 18 24. Page 4, line 35, by striking the words "a
19 city".
- 20 25. Page 5, by striking lines 1 through 4 and
21 inserting in lieu thereof the words "consolidated
22 government from this fund shall be credited to its
23 general fund."
- 24 26. Page 5, lines 28 and 29, by striking the words
25 "or resolution".
- 26 27. Page 5, line 33, by striking the words "city
27 or county" and inserting in lieu thereof the words
28 "consolidated government".
- 29 28. Page 6, lines 4 and 5, by striking the words
30 "city or unincorporated area of the county" and
31 inserting in lieu thereof the words "territorial
32 limits of the consolidated government".
- 33 29. Page 6, lines 20 and 21, by striking the words
34 "a city council or resolution of a county board of
35 supervisors" and inserting in lieu thereof the words
36 "the governing body".
- 37 30. Page 6, line 30, by striking the words "or
38 resolution".
- 39 31. Page 6, line 31, by striking the words "or
40 resolution".
- 41 32. Page 7, line 20, by striking the words "city
42 and county" and inserting in lieu thereof the words
43 "consolidated government".
- 44 33. Page 7, line 23, by striking the words "city
45 or county" and inserting in lieu thereof the words
46 "consolidated government".
- 47 34. Page 7, line 24, by striking the words "city
48 or county" and inserting in lieu thereof the words
49 "consolidated government".
- 50 35. Page 7, line 28, by striking the word "county"

S-3158

3

1 and inserting in lieu thereof the words "consolidated
2 government".

3 36. Page 7, by striking line 34 and inserting
4 in lieu thereof the words "within the territorial
5 limits of the consolidated government".

6 37. Page 8, line 14, by striking the word "county"
7 and inserting in lieu thereof the words "consolidated
8 government".

9 38. Page 8, by striking line 22 and inserting
10 in lieu thereof the words "The ordinance of the
11 governing body imposing".

12 39. Page 8, line 32, by striking the word
13 "resolution" and inserting in lieu thereof the word
14 "ordinance".

15 40. Page 8, line 34, by striking the word
16 "resolution" and inserting in lieu thereof the word
17 "ordinance".

18 41. Page 9, line 9, by striking the word "county"
19 and inserting in lieu thereof the words "consolidated
20 government".

21 42. By striking page 9, line 13 through page 10, line
22 13 and inserting in lieu thereof the following:

23 "1. The treasurer of state, pursuant to rules
24 of the director of revenue, shall remit at least
25 quarterly to each consolidated government which has
26 imposed a local sales and services tax the amount
27 in the local sales and services tax fund collected
28 as a result of its tax.

29 2. Local sales and services tax money received
30 by a consolidated government may be expended for any
31 lawful purpose of the consolidated government."

32 43. Page 10, lines 14 and 15, by striking the
33 words "city or county" and inserting in lieu thereof
34 the words "consolidated government".

35 44. Page 10, lines 19 and 20, by striking the
36 words "city or unincorporated area of the county"
37 and inserting in lieu thereof the words "territorial
38 limits of the consolidated government".

39 45. Page 10, lines 25 and 26, by striking the
40 words "city or unincorporated area of the county"
41 and inserting in lieu thereof the words "territorial
42 limits of the consolidated government".

43 46. Page 11, lines 9 and 10, by striking the words
44 "of a city council or resolution of a county board
45 of supervisors".

46 47. Page 11, line 19, by striking the words "or
47 resolution".

48 48. Page 11, lines 20 and 21, by striking the
49 words "or resolution".

50 49. Page 11, line 31, by striking the words "city

S-3158
PAGE 4

1 or county" and inserting in lieu thereof the words
2 "consolidated government".

3 50. Page 12, line 3, by striking the words "city
4 and county" and inserting in lieu thereof the words
5 "consolidated government".

6 51. Page 12, line 6, by striking the words "city
7 or county" and inserting in lieu thereof the words
8 "consolidated government".

9 52. Page 12, line 7, by striking the words "city
10 or county" and inserting in lieu thereof the words
11 "consolidated government".

12 53. Page 12, by inserting after line 26 the
13 following:

14 "Sec. 21. NEW SECTION. CONSOLIDATED GOVERNMENT.

15 1. A county and one or more cities or one or more
16 cities located in the county may establish a
17 consolidated government. If a consolidated government
18 is established, the county and city governments
19 approving the adoption of the consolidated govern-
20 ment shall cease to exist. Consolidated governments
21 established under sections 21 through 27 of this Act
22 are municipal corporations.

23 2. A consolidated government may be established
24 only by vote of the qualified electors residing in
25 the cities or in the cities and the unincorporated
26 area of a county as applicable in the manner provided
27 in sections 21 through 27 of this Act. A charter
28 commission to propose a form of governance for a
29 consolidated government may be called pursuant to
30 one of the following methods:

31 a. Concurrent resolutions calling for the
32 appointment of a charter commission may be adopted
33 by two or more cities located in the county and trans-
34 mitted to the board of supervisors of the county.

35 b. A resolution calling for the appointment of
36 a charter commission may be adopted by the board of
37 supervisors of the county.

38 c. A petition calling for the appointment of a
39 charter commission, signed by eligible electors of
40 the county equal in number to at least ten percent
41 of the votes cast in the county, for governor or
42 president of the United States at the preceding general
43 election, may be filed with the county auditor.

44 3. Upon receipt of a petition, the county auditor
45 shall examine the petition, certify to the county
46 auditor's knowledge the sufficiency of the signatures,
47 and transmit the petition, with the auditor's
48 certificate, to the board of supervisors if the county
49 is included and the city council of each city in the
50 county.

S-3158

E 5

1 Sec. 22. NEW SECTION. CHARTER COMMISSION. Within
2 thirty days following the receipt of a petition or
3 resolution under section 21 of this Act, the mayor
4 of each city in the county and the chairperson of
5 the board of supervisors if the county is included
6 shall appoint members to a charter commission. Each
7 mayor shall appoint a resident who is a qualified
8 elector from each election precinct within the mayor's
9 city as a member to the commission and the chairperson
10 of the board of supervisors shall appoint a resident
11 who is a qualified elector from each election precinct
12 within the unincorporated area of the county as a
13 member of the commission. Members of the charter
14 commission shall serve without compensation.

15 Sec. 23. NEW SECTION. DUTIES OF COMMISSION--
16 HEARING--ELECTION.

17 1. The commission shall meet at the call of the
18 chairperson of the board of supervisors at a location
19 named by the chairperson of the board. At the
20 organizational meeting which shall be held within
21 ninety days of the appointment of the commission,
22 the commission shall select a chairperson from its
23 membership and shall adopt rules of procedure.

24 2. The commission shall propose the form of
25 government for the consolidated government which may
26 be any combination of the forms of county government,
27 if the county is included, and city government allowed
28 by law.

29 3. Staff assistance may be provided by the county
30 or any city in the county.

31 4. Upon completion of the task of the commission,
32 a report of its actions and proposals shall be
33 published in a newspaper of general circulation in
34 the county. The report of the commission shall be
35 published not later than two years after the date
36 of the organizational meeting.

37 5. A public hearing on the report and proposals
38 shall be held within thirty days after the date of
39 the publication. The date, time, and location of
40 the hearing shall be published in the notice. The
41 cost of the publication shall be paid from the county
42 general fund or proportionally from the city general
43 funds if the county is not included.

44 6. At the hearing, or at a continuation of the
45 hearing, any interested person may present testimony
46 on the proposal for establishment of a consolidated
47 government, the form of government, and matters
48 relating to the effect of the formation of the proposed
49 consolidated government.

50 7. Following the conclusion of the hearing, the

S-3158
PAGE 6

1 board of supervisors shall call an election on the
2 formation of the consolidated government. The election
3 shall be held within thirty days following the date
4 of the public hearing. The county board shall inform
5 the commissioner of elections of the date of the
6 election pursuant to section 47.6.

7 8. a. The ballot proposition shall be voted upon
8 separately by those qualified electors residing in
9 each city, and shall be substantially in the follow-
10 ing form:

11 FORMATION OF CONSOLIDATED GOVERNMENT

12 Shall the government of _____ county and the
13 city of _____ in this county (or the cities
14 of _____ if the county is not included) be
15 consolidated and the proposed charter be adopted
16 effective (state the effective date)?

17 YES _____
18 NO _____

19 b. If the county is included, the ballot
20 proposition for the qualified electors residing in
21 the unincorporated area of the county shall be substan-
22 tially in the following form:

23 FORMATION OF CONSOLIDATED GOVERNMENT

24 Shall the government of _____ county and the
25 cities of _____ in this county be consolidated
26 and the proposed charter be adopted effective (state
27 the effective date)?

28 YES _____
29 NO _____

30 9. If the county is included, the proposition
31 is adopted if a majority of all qualified electors
32 voting on the proposition in the unincorporated area
33 of the county and the cities approves the formation
34 of the consolidated government and is adopted for
35 each city in which a majority of the qualified electors
36 voting on the proposition approves the formation of
37 the consolidated government.

38 If the county is not included, the proposition
39 is adopted if a majority of all qualified electors
40 voting on the proposition in the cities approves the
41 formation of the consolidated government and is adopted
42 for each city in which a majority of the qualified
43 electors voting on the proposition approves the
44 formation of the consolidated government.

45 Sec. 24. NEW SECTION. POWERS OF CONSOLIDATED
46 GOVERNMENT.

47 1. A consolidated government is a municipal
48 corporation, and except as expressly limited by the
49 Constitution, and if not inconsistent with the laws
50 of the general assembly, may exercise any power and

3158

GE 7

1 perform any function granted to cities and counties,
2 if the county is included.

3 2. A consolidated government shall act in an
4 administrative capacity for the state as provided
5 by law for counties, if the county is included.

6 3. The consolidated government has all the rights,
7 powers, privileges, and benefits of cities and
8 counties, if the county is included, as provided by
9 law.

10 Sec. 25. NEW SECTION. CONSOLIDATED GOVERNMENT
11 ORGANIZATION. Following approval at the referendum,
12 representatives appointed by each city council in
13 the consolidated government and the board of
14 supervisors, if the county is included, shall meet
15 and provide for all of the following:

16 1. Liquidation of existing bonded indebtedness
17 and other obligations of the cities and the county,
18 if included.

19 2. Transfer of city and county, if included,
20 personnel and continuation of salary, benefits,
21 collective bargaining agreements, retirement rights,
22 and related matters.

23 3. Transfer or other disposition of property and
24 other rights, claims, assets, and franchises of the
25 local governments to be consolidated.

26 4. Establishment of a general services district
27 and an urban services district and the enlargement
28 of urban services districts as provided in section
29 26 of this Act.

30 5. Creation of consolidated government subordinate
31 service and taxing areas as provided in section 26
32 of this Act.

33 Sec. 26. NEW SECTION. SERVICE DISTRICTS.

34 1. The general services district shall include
35 the whole area of the consolidated government. A
36 service or function which is assigned by state law
37 to county government, if included, shall be performed
38 in the general services district. Additional services
39 may be performed in the general services district
40 with the approval of the governing body of the
41 consolidated government.

42 2. The urban services districts shall consist
43 originally of each city included in the consolidation.
44 Urban services districts within the consolidated
45 government may be noncontiguous. The governing body
46 may specify the services in addition to those provided
47 in the general services district, including all city
48 services, to be provided in the urban services
49 districts. These services shall be financed from
50 revenues secured from within the urban services

1 district.

2 3. Consolidated government subordinate service
3 areas may be established by the governing body in
4 order to furnish services on a less than entire
5 consolidated government basis. A service provided
6 within a subordinate service area shall be financed
7 from revenues secured from within the area.

8 Subordinate service areas may be used for any of the
9 following:

10 a. To perform a limited number of city services
11 in territory outside the boundaries of an urban
12 services district, but the service areas shall become
13 part of the urban services district upon assuming
14 responsibility for a specified number or type of city
15 services.

16 b. To perform noncity services anywhere in the
17 consolidated government.

18 c. To perform a service of a special district
19 included under subsection 5.

20 4. The governing body shall establish a procedure
21 for adding new services, discontinuing services, and
22 transferring services among the general services
23 district, urban services districts, and subordinate
24 service areas. The governing body shall also es-
25 tablish procedures for transferring territory within
26 the consolidated government from one type of service
27 district or area to another as provided in subsection
28 3.

29 5. A consolidated government created under sections
30 21 through 27 of this Act may assume all functions,
31 rights, duties, personnel, property, assets, and
32 liabilities of a special district, except a school
33 district, operating entirely within the geographical
34 jurisdiction of the consolidated government.

35 6. The consolidated government shall notify the
36 special district of its desire to assume responsibility
37 for any or all of the special district's functions.
38 Upon the approval of an agreement providing for the
39 transfer of the functions and necessary rights, duties,
40 property, assets, and liabilities by the consolidated
41 government and the special district, the special
42 district is dissolved.

43 7. When a consolidated government has been created,
44 a new special district operating wholly within the
45 consolidated government shall not be formed unless
46 the governing body of the consolidated government
47 approves.

48 Sec. 27. NEW SECTION. LOCAL TAXES. A consolidated
49 government may impose local taxes authorized in
50 sections 1 through 13 of this Act not less than one

1 year from the date the consolidated government is
2 organized and becomes functional, subject to sections
3 1 through 13 of this Act."

4 54. By renumbering and correcting internal
5 references as necessary.

1 Amend amendment S-3139 to Senate File 289 as
2 follows:

3 1. Page 1, by striking lines 18 through 20 and
4 inserting in lieu thereof the following:
5 "____. Page 2, line 25, by striking the word "one-
6 half" and inserting in lieu thereof the word "one-
7 fourth".

8 _____. Page 2, line 26, by striking the word "two"
9 and inserting in lieu thereof the word "one".

10 2. Page 1, line 26, by inserting before the word
11 "and" the words "a local payroll tax,".

12 3. Page 1, by striking lines 27 through 29 and
13 inserting in lieu thereof the following:

14 "____. Page 3, line 26, by striking the words "two
15 percent in increments of one-half" and inserting in
16 lieu thereof the words "one percent in increments
17 of one-fourth".

18 4. Page 1, line 31, by inserting after the word
19 "surtax" the words ", payroll tax,".

20 5. Page 1, by inserting after line 32 the
21 following:

22 "____. Page 6, line 1, by inserting after the word
23 "year." the words "A city or county imposing an income
24 surtax shall give a credit, not to exceed the amount
25 of surtax, for any local payroll tax paid by the
26 resident taxpayer on income included in computing
27 the taxpayer's state individual income tax for the
28 tax year.""

29 6. Page 1, lines 33 and 34, by striking the figures
30 and word "12, line 8" and inserting in lieu thereof
31 the figures and word "10, line 13".

32 7. Page 1, by inserting after line 34 the
33 following:

34 "____. Page 10, line 16, by striking the words
35 "expense of employers" and inserting in lieu thereof
36 the words "received by resident and nonresident
37 employees".

38 _____. Page 10, lines 17 and 18, by striking the
39 words "business or trade hire, employ, contract, or
40 engage one or more individuals to" and inserting in
41 lieu thereof the word "employment".

42 _____. Page 10, line 21, by striking the words
43 "expense of the business or trade" and inserting in
44 lieu thereof the words "received by employees".

45 _____. Page 10, line 26, by striking the words "The
46 tax".

47 _____. Page 10; by striking lines 27 through 29.

48 _____. Page 10, line 34, by striking the words
49 "expense incurred" and inserting in lieu thereof the
50 words "received by resident and nonresident employees".

PAGE 2

1 _____. Page 10, line 35, by inserting after the
2 words "shall be" the words "withheld by the employer
3 from the employee's compensation and".

4 8. Page 1, line 36, by inserting after the word
5 "surtax" the words ", payroll tax,".

SENATE 20
MARCH 4, 1983

SENATE FILE 289

S-3166

1 Amend the amendment S-3140 to Senate File 289 as
2 follows:
3 1. Page 1, line 12, by striking the words "or
4 county".

S-3166 FILED

BY NORMAN G. RODGERS

MARCH 3, 1983

Adopted 3/4/83 (p. 623)

SENATE FILE 289

S-3167

1 Amend Senate File 289 as follows:
2 1. Page 2, lines 20 and 21, by striking the words
3 "and in the case of a local sales and services tax
4 the date it will be imposed".
5 2. Page 2, by striking lines 25 through 28 and
6 inserting in lieu thereof the words "the vehicle tax
7 shall be a dollar amount".
8 3. Page 2, lines 30 and 31, by striking the words
9 "The rate of a local sales and services tax shall
10 be one percent."
11 4. Page 3, by striking line 23, and inserting
12 in lieu thereof the words "and a".
13 5. Page 3, by striking lines 26 and 27, and
14 inserting in lieu thereof the words "surtax, and a
15 dollar amount per axle".
16 6. Page 3, by striking lines 30 and 31, and
17 inserting in lieu thereof the words "the surtax or
18 vehicle tax."
19 7. By striking page 7, line 26 through page 12,
20 line 8.
21 8. Title page, by striking line 2, and inserting
22 in lieu thereof the words "surtax and vehicle".
23 9. By numbering, renumbering and correcting
24 internal references as are necessary.

S-3167 FILED

BY EDGAR H. HOLDEN

MARCH 3, 1983

Placed out of order 3/4 (p. 623)

SENATE FILE 289

S-3168

1 Amend Senate File 289 as follows:
2 1. Page 4, line 4, by inserting after the word
3 "registration" the words "or renewal of the registra-
4 tion".
5 2. Page 4, line 18, by striking the word "January"
6 and inserting in lieu thereof the word "December".

S-3168 FILED

BY EDGAR H. HOLDEN

MARCH 3, 1983

Adopted 3/4 (p. 625)

SENATE FILE 289

S-3159

1 Amend Senate File 289 as follows:
2 1. Page 5, line 4, by inserting after the word
3 "county" the words and figures ", subject to section
4 20 of this Act".
5 2. Page 7, line 25, by inserting after the word
6 "tax" the words and figures ", subject to section
7 20 of this Act".
8 3. Page 10, line 13, by inserting after the word
9 "county" the words and figures ", subject to section
10 20 of this Act".
11 4. Page 12, line 8, by inserting after the word
12 "tax" the words and figures ", subject to section
13 20 of this Act".
14 5. Page 12, by inserting after line 8 the
15 following:
16 "Sec. 20. NEW SECTION. A city which receives
17 local option tax revenues under section 3, 7, 10,
18 or 13 of this Act, must meet the federal standards
19 as established pursuant to the federal Water Pollution
20 Control Act, as defined in section 455B.171, for its
21 public water supply system and disposal system before
22 it may expend the revenues for any purpose other than
23 to meet such federal standards."

S-3159 FILED

BY FORREST V. SCHWENGELS

MARCH 3, 1983

RULED OUT OF ORDER (p. 604)

SENATE FILE 289

S-3160

1 Amend Senate File 289 as follows:
2 1. Title page, by striking line 4.

S-3160 FILED & LOST

BY EDGAR H. HOLDEN

MARCH 3, 1983 (p. 599)

S-3163

- 1 Amend Senate File 289 as follows:
- 2 1. Page 1, line 3, by striking the words "or a
- 3 county".
- 4 2. Page 1, by striking line 4 and inserting in
- 5 lieu thereof the words "council local option".
- 6 3. Page 1, by striking lines 12 through 15 and
- 7 inserting in lieu thereof the words "boundaries of
- 8 that city."
- 9 4. Page 1, lines 20 and 21, by striking the words
- 10 "except a local sales and services tax,".
- 11 5. Page 1, lines 24 and 25, by striking the words
- 12 "which shall not be a local sales and services tax".
- 13 6. By striking page 1, line 26 through page 2,
- 14 line 12.
- 15 7. Page 2, by striking lines 15 through 17, and
- 16 inserting in lieu thereof the words "election or city
- 17 regular election which shall not be held sooner than".
- 18 8. Page 2, line 24, by striking the words "or
- 19 county".
- 20 9. Page 2, line 27, by striking the words "or
- 21 county".
- 22 10. Page 2, line 29, by striking the words "or
- 23 county".
- 24 11. Page 3, lines 1 and 2, by striking the words
- 25 "or that county, as applicable,".
- 26 12. Page 3, line 29, by striking the words "or
- 27 county".
- 28 13. Page 3, line 34, by striking the words "or
- 29 county".
- 30 14. Page 4, lines 2 and 3, by striking the words
- 31 "or unincorporated area of the county".
- 32 15. Page 4, line 7, by striking the words "or
- 33 unincorporated area of a county".
- 34 16. Page 4, line 24, by striking the words "or
- 35 resolution".
- 36 17. Page 4, line 25, by striking the words "or
- 37 resolution".
- 38 18. Page 4, line 34, by striking the words "and
- 39 county".
- 40 19. Page 5, line 1, by striking the words "or
- 41 county".
- 42 20. Page 5, line 2, by striking the words "or
- 43 county".
- 44 21. Page 5, lines 3 and 4, by striking the words
- 45 "or the secondary road fund of that county".
- 46 22. Page 5, lines 28 and 29, by striking the words
- 47 "or resolution".
- 48 23. Page 5, line 30, by striking the words "or
- 49 resolution".
- 50 24. Page 5, line 33, by striking the words "or

3163
E 2

- 1 county".
- 2 25. Page 6, line 5, by striking the words "or
- 3 unincorporated area of the county".
- 4 26. Page 6, lines 20 and 21, by striking the words
- 5 "or resolution of a county board of supervisors".
- 6 27. Page 6, line 30, by striking the words "or
- 7 resolution".
- 8 28. Page 6, line 31, by striking the words "or
- 9 resolution".
- 10 29. Page 7, line 20, by striking the words "and
- 11 county".
- 12 30. Page 7, line 23, by striking the words "or
- 13 county".
- 14 31. Page 7, line 24, by striking the words "or
- 15 county".
- 16 32. Page 7, line 28, by striking the word "county"
- 17 and inserting in lieu thereof the word "city".
- 18 33. Page 7, line 34, by striking the words "and
- 19 unincorporated".
- 20 34. Page 7, line 34, by striking the word "county"
- 21 and inserting in lieu thereof the word "city".
- 22 35. Page 8, line 14, by striking the word "county"
- 23 and inserting in lieu thereof the word "city".
- 24 36. Page 8, by striking line 22, and inserting
- 25 in lieu thereof the words "The ordinance of the city
- 26 council imposing".
- 27 37. Page 8, line 34, by striking the word
- 28 "resolution" and inserting in lieu thereof the word
- 29 "ordinance".
- 30 38. Page 9, line 9, by striking the word "county"
- 31 and inserting in lieu thereof the word "city".
- 32 39. Page 9, line 15, by striking the words "county
- 33 to the county's" and inserting in lieu thereof the
- 34 words "city to the city's".
- 35 40. By striking page 9, line 19 through page 10,
- 36 line 10, and inserting in lieu thereof the words "city
- 37 the amount in its account in the local sales and
- 38 services tax fund."
- 39 41. Page 10, line 12, by striking the words "or
- 40 county".
- 41 42. Page 10, line 13, by striking the words "or
- 42 county".
- 43 43. Page 10, lines 14 and 15, by striking the
- 44 words "or county".
- 45 44. Page 10, lines 19 and 20, by striking the
- 46 words "or unincorporated area of the county".
- 47 45. Page 10, lines 25 and 26, by striking the
- 48 words "or unincorporated area of the county".
- 49 46. Page 11, lines 9 and 10, by striking the words
- 50 "or resolution of a county board of supervisors".

SENATE 19
MARCH 4, 1983

S-3163

PAGE 3

- 1 47. Page 11, line 19, by striking the words "or
- 2 resolution".
- 3 48. Page 11, lines 20 and 21, by striking the
- 4 words "or resolution".
- 5 49. Page 11, line 31, by striking the words "or
- 6 county".
- 7 50. Page 12, line 3, by striking the words "and
- 8 county".
- 9 51. Page 12, line 6, by striking the words "or
- 10 county".
- 11 52. Page 12, line 7, by striking the words "or
- 12 county".
- 13 53. Title page, line 3, by striking the words
- 14 "or county".
- 15 54. By renumbering and correcting internal
- 16 references as necessary.

S-3163 FILED & ADOPTED

BY DALE TIEDEN

MARCH 3, 1983

(p. 601)
Motion to Rescind (S. 313) H/R 3/4 (p. 622)

SENATE FILE 289

S-3164

- Amend Senate File 289 as follows:
- 1 1. Page 3, line 31, by inserting after the word
 - 2 "percent." the words "No unelected employee of the
 - 3 county or city which has a resolution or election
 - 4 under consideration may take part in the public dis-
 - 5 cussion of the demerits or merits of the proposed
 - 6 resolution or election while it is under consideration
 - 7 by the county or city."
 - 8

S-3164 FILED

BY RAY TAYLOR

MARCH 3, 1983

JAMES GALLAGHER

Lost 3/4 (p. 625)

SENATE FILE 289

S-3165

- Amend the amendment S-3151 to Senate File 289 as follows:
- 1 1. Page 1, line 5, by striking the words "and
 - 2 county".
 - 3 2. Page 1, line 15, by striking the words "or
 - 4 county".
 - 5 3. Page 1, line 16, by striking the words "or
 - 6 county".
 - 7
 - 8

S-3165 FILED

BY ARNE WALDSTEIN

MARCH 3, 1983

Adopted 3/4 (p. 625)

S-3169

1 Amend Senate File 289 as follows:

- 2 1. Page 4, line 35, by striking the word "Moneys"
3 and inserting in lieu thereof the words "Fifty percent
4 of the moneys".
- 5 2. Page 5, line 4, by inserting after the period
6 "." the words and figure "The remaining fifty percent
7 of the moneys received by a city shall provide property
8 tax relief as provided in section 20 of this Act."
- 9 3. Page 7, line 23, by striking the word "Local"
10 and inserting in lieu thereof the words "Fifty percent
11 of the local".
- 12 4. Page 7, line 25, by inserting after the word
13 "tax." the words and figure "The remaining fifty
14 percent of the moneys received by a city shall provide
15 property tax relief as provided in section 20 of this
16 Act."
- 17 5. Page 10, line 11, by striking the word "Local"
18 and inserting in lieu thereof the words "Fifty percent
19 of the local".
- 20 6. Page 10, line 13, by inserting after the period
21 "." the words and figure "The remaining fifty percent
22 of the moneys received by a city shall provide property
23 tax relief as provided in section 20 of this Act."
- 24 7. Page 12, line 6, by striking the word "Local"
25 and inserting in lieu thereof the words "Fifty percent
26 of the local".
- 27 8. Page 12, line 8, by inserting after the word
28 "tax." the words and figure "The remaining fifty
29 percent of the moneys received by a city shall provide
30 property tax relief as provided in section 20 of this
31 Act."
- 32 9. Page 12, by inserting after line 8 the follow-
33 ing:
- 34 "Sec. 20. NEW SECTION. PROPERTY TAX RELIEF.
35 The financial officer of the city shall credit fifty
36 percent of the local vehicle tax, local income surtax,
37 local sales and services tax, and local payroll tax
38 received to a special account for property tax relief
39 to be granted as provided in subsection 1.
- 40 1. Before the levy rates authorized under sections
41 384.1 and 384.12 are certified by a city to the county
42 auditor, the certifying official shall subtract from
43 the total amount computed in dollars, as provided
44 in section 444.2, an amount equal to the amount
45 credited to the special account for property tax
46 relief during the last preceding twelve-month period
47 and shall certify only the net amount to the county
48 auditor and board of supervisors and shall identify
49 for what purposes the funds received for property
50 tax relief are to be used. The county auditor shall

SENATE 22
MARCH 4, 1983

S-3169
PAGE 2

1 determine the levy rates under section 444.3 upon
2 the net amount so computed."
3 10. Page 12, by inserting after line 26 the
4 following:
5 "Sec. ____ . Section 444.3, Code 1983, is amended
6 by adding the following new unnumbered paragraph after
7 unnumbered paragraph 1:
8 NEW UNNUMBERED PARAGRAPH. However, in computing
9 the tax rate under the preceding paragraph for a city
10 which has imposed a local option tax authorized in
11 sections 1 through 13 of this Act, the county auditor
12 shall determine if the sum of the net amount certified
13 and the amount deducted in determining that net amount
14 under subsection 1 of section 20 of this Act would
15 exceed the amount which could be raised by the rate
16 authorized by law. If the county auditor determines
17 that this sum would exceed that amount, the county
18 auditor shall reduce the net amount certified by the
19 excess and determine the tax rate under the preceding
20 paragraph on this reduced amount."
21 11. By numbering, renumbering, and correcting
22 internal references as necessary.

S-3169 FILED
MARCH 3, 1983
Adopted 3/4 (p. 625)

BY CALVIN HULTMAN
JACK HESTER
JOHN NYSTROM

SENATE FILE 289

S-3170

1 Amend Senate File 289 as follows:
2 1. Page 2, lines 20 and 21, by striking the words
3 "and in the case of a local sales and services tax
4 the date it will be imposed".
5 2. Page 2, lines 30 and 31, by striking the words
6 "The rate of a local sales and services tax shall
7 be one percent."
8 3. Page 3, line 23, by striking the words "a local
9 sales and services tax,".
10 4. Page 3, lines 30 and 31, by striking the words
11 "The rate of a local sales and services tax shall
12 be one percent."
13 5. By striking page 7, line 26 through page 10,
14 line 13.
15 6. Title page, line 2, by striking the words
16 "sales and services tax,".
17 7. By numbering, renumbering and correcting
18 internal references as are necessary.

S-3170 FILED
MARCH 3, 1983
Placed on order 3/4 (p. 623)

BY JACK HESTER
BILL HUTCHINS
RICHARD VANDE HOEF
JACK RIFE

SENATE FILE 289

S-3175

1 Amend Senate File 289 as follows:

2 1. Page 2, line 31, by striking the word "one"
3 and inserting in lieu thereof the word "zero".

4 2. Page 3, line 31, by striking the word "one"
5 and inserting in lieu thereof the word "zero".

6 3. Page 7, line 27, by striking the words "the
7 rate of one percent may" and inserting in lieu thereof
8 the words "any rate, other than zero percent, shall not".

S-3175 FILED & LOST
MARCH 4, 1983 (p. 624)

BY JACK W. HESTER
BILL HUTCHINS
RICHARD VANDE HOEF
JACK RIFE

SENATE FILE 289

S-3176

1 Amend the amendment S-3173 to Senate File 289 as
2 follows:

3 1. Page 1, line 4, by striking the word "fifteen"
4 and inserting in lieu thereof the word "five".

S-3176 FILED & WITHDRAWN
MARCH 4, 1983 (p. 625)

BY JOE J. WELSH

SENATE FILE 289

S-3178

1 Amend Senate File 289 as follows:

2 1. Page 2, line 21, by inserting after the word
3 "imposed" the words "and that the gross receipts of
4 each sale in excess of five thousand dollars shall
5 not be taxed".

S-3178 FILED & LOST
MARCH 4, 1983 (p. 628)

BY JOE J. WELSH

SEVENTIETH GENERAL ASSEMBLY
1983 REGULAR SESSION

DAILY
SENATE CLIP SHEET

MONDAY, MARCH 7, 1983

SENATE FILE 289

S-3171

- 1 Amend the amendment S-3164 to Senate File 289 as
2 follows:
3 1. Page 1, line 4, by striking the words "county
4 or".
5 2. Page 1, line 8, by striking the words "county
6 or".

S-3171 FILED & ADOPTED
MARCH 4, 1983 (p. 224)

BY RAY TAYLOR
JAMES V. GALLAGHER

SENATE FILE 289

S-3172

- 1 Amend Senate File 289 as follows:
2 1. Page 4, line 24, by inserting after the word
3 "tax." the words "The ordinance shall provide
4 authorization for the county treasurer to collect
5 a fee covering administrative costs of the collection
6 of the tax, which fee shall be fair and reasonable
7 but shall not exceed five percent of the tax imposed.
8 The fees collected to cover the administrative costs
9 shall be deposited in the county general fund."

S-3172 FILED & ADOPTED
MARCH 4, 1983 (p. 225)

BY ALVIN V. MILLER

SENATE FILE 289

S-3173

- 1 Amend Senate File 289 as follows:
2 1. Page 2, line 21, by inserting after the word
3 "imposed" the words "and that the gross receipts of
4 each sale in excess of fifteen thousand dollars, or
5 a lesser amount as set by the city council, shall
6 not be taxed".
7 2. Page 7, line 29, by inserting after the Roman
8 numeral "IV." the words "However, the gross receipts
9 of each sale in excess of the amount that was specified
10 on the ballot proposition shall not be taxed."

S-3173 FILED & WITHDRAWN
MARCH 4, 1983 (p. 225)

BY DAVID M. READINGER

SENATE 6
FEBRUARY 23, 1983

SENATE FILE 289
FISCAL NOTE

REQUESTED BY SENATOR PALMER

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 289 pursuant to Joint Rule 17.

Senate File 289 authorizes both cities and counties to impose the following:

- An income surtax based upon the state income tax;
- A payroll tax on the payroll expense account of a trade or business based upon the wages which are subject to the withholding of state income tax; and
- A tax on every state-registered vehicle belonging to a resident or usually kept, garaged, or stored within the limits of the city or county.

The bill further authorizes counties to impose:

- A sales and services tax based upon gross receipts subject to sales and services tax. The amount of collected tax revenues will be distributed to the county and cities within the county on a prorated basis: 50 percent of the revenues prorated on the population distribution share and 50 percent of the revenues prorated on the property tax levy share.

The director of revenue will administer the income surtax, sales and services tax, and payroll tax. The local vehicle tax will be administered by county and state officials. If the city imposes a tax, it applies only within the incorporated area. If a county imposes a tax, it applies only within the unincorporated area of the county, with the exception that a sales and services tax applies countywide.

All taxes shall be imposed, have the rate changed, or be repealed only after a favorable vote at an election. The election can be held by motion of the city council or board of supervisors, but must be held if a valid petition is presented to the council or board. The election for sales and services tax can be held by motion of the board of supervisors, but must be held if a majority of the cities and the county petition for it. The election must specify the type of tax and the rate at which it is to be imposed.

Tax receipts may be spent for any lawful purpose. The rates of tax are set by the governing body as follows:

- Income Tax Surcharge: Up to 30 percent in increments of five percent;
- Payroll Tax: Up to 2 percent in increments of one-half of one percent;
- Vehicle Tax: Any dollar amount per axle; and
- Sales and Services Tax: One percent.

The bill takes effect July 1, following enactment. No estimate of the fiscal impact is available. (Note: additional information is available on the sales and services tax distribution for specified counties at the Legislative Fiscal Bureau).

(855S, 83-254, CMG)

FILED:
FEBRUARY 22, 1983

BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR