

FILED JAN 29 1985

SENATE FILE 122
BY VANDE HOEF

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act authorizing the imposition of a mineral severance tax
2 by the board of supervisors and providing a penalty.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 122

1 Section 1. NEW SECTION. 331.491 LOCAL OPTION MINERAL
2 SEVERANCE TAX -- IMPOSITION -- TAX RATE -- PENALTY.

3 1. The board may impose, by ordinance, a mineral severance
4 tax at a rate not exceeding twenty-five cents per ton on each
5 ton of road limestone, gravel, sand, cement stone and
6 aggregate mined in the county each year. Upon imposition of
7 the mineral severance tax in a county, the department of soil
8 conservation shall require that the owner of any mine in the
9 county obtain a severance tax permit from the county to
10 extract minerals subject to the severance tax. As a condition
11 of issuing the permit, the board shall require that the owner
12 of the mine file with the county recorder at no cost to the
13 owner a monthly report of all minerals subject to the
14 severance tax extracted from each mine in the county operated
15 by the owner. The reports shall be recorded alphabetically by
16 the name of the owner.

17 2. The recorder shall calculate the amount of the taxes to
18 be collected from each mine owner and certify monthly a list
19 of mineral severance taxes to be collected to the county
20 treasurer who, within ten working days after receipt of the
21 certified list from the recorder, shall send a tax statement
22 to the owner. Payment of the severance tax is due within
23 thirty days of receipt of the tax statement from the
24 treasurer. Taxes not paid by the owner within ninety days of
25 receipt of the tax statement from the county treasurer become
26 a lien on the property from which the minerals are extracted.
27 If any severance tax due from one owner is delinquent for more
28 than one year, the property to which the lien attached may be
29 sold by the county under the procedures provided for tax de-
30 linqent sales of real property.

31 3. The proceeds from the mineral severance tax shall be
32 credited to the secondary road fund of the county in which the
33 minerals subject to the tax are mined.

34 4. An owner failing to comply with the conditions of the
35 permit required by the county or to file the appropriate

1 reports is guilty of a simple misdemeanor. A subsequent
2 offense under this section by the same owner is a class "D"
3 felony.

4 Sec. 2. Section 1 of this Act shall be codified in part 5
5 of division IV of chapter 331.

6 Sec. 3. This Act takes effect January 1 following its
7 enactment.

8 EXPLANATION

9 This bill authorizes the board of supervisors to impose, by
10 ordinance, a mineral severance tax on each ton of road
11 limestone, gravel, sand, cement stone and aggregate mined from
12 each mine within the county. The tax rate shall not exceed
13 twenty-five cents per ton. The revenue shall be credited to
14 the secondary road fund of the county to be used for secondary
15 road purposes. The bill takes effect January 1 following
16 enactment.

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SENATE 5
MARCH 5, 1985

SENATE FILE 122
FISCAL NOTE

REQUESTED BY SEN. VANDE HOEF

In compliance with a request a fiscal note for Senate File 122 is hereby submitted pursuant to Joint Rule 17.

Senate File 122 allows for county boards of supervisors to impose a mineral severance tax on each ton of road limestone, gravel, sand, cement stone, and aggregate mined in each county. The tax shall not exceed \$25 per ton. The revenue shall be credited to the secondary road fund of the county in which the minerals are mined. This bill takes effect January 1 following enactment.

ASSUMPTIONS:

- 1) That each county board imposes a \$25 tax per ton.
- 2) That the number of tons mined remains constant.

FISCAL EFFECT: The annual collected tax revenues are shown below:

<u>MINERAL</u>	<u>1984 TONS</u>	<u>TAX</u>	<u>REVENUE</u>
Cement	1,740,000	\$0.25	\$ 435,000
Sand & Gravel	14,000,000	0.25	3,500,000
Stone (crushed)	26,000,000	0.25	6,500,000
Limestone	<u>NA</u>		<u>NA</u>
TOTAL	41,740,000		\$10,435,000

The fiscal effect would be a statewide annual collection of \$10,435,000 to the secondary road fund, which would then be credited to the respective counties.

NA: not available

Filed March 4, 1985

By Dennis C. Prouty, Director
Legislative Fiscal Bureau