

ways & means

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FILED APR 13 1989

SENATE FILE 515
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 340)

Passed Senate, Date 4-17-89 (p.1490) Passed House, Date 4-28-89 (p.2170)
Vote: Ayes 46 Nays 0 Vote: Ayes 95 Nays 6
Approved May 18, 1989

A BILL FOR

300-1 An Act relating to the assessment and valuation of certain
2 property.

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

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SENATE FILE 515

S-3606

- 1 Amend Senate File 515 as follows:
- 2 1. Title page, line 1, by striking the word
- 3 "certain" and inserting the following: "special
- 4 purpose tooling".

By LINN FUHRMAN

S-3606 FILED APRIL 10, 1989

adopted 4-17-89 (p.1490)

SF 515

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1 Section 1. Section 441.21, subsection 1, paragraph b, Code
2 1989, is amended by adding the following new unnumbered
3 paragraph:

4 NEW UNNUMBERED PARAGRAPH. The actual value of special
5 purpose tooling, which is subject to assessment and taxation
6 as real property under section 427A.1, subsection 1, paragraph
7 "e", but which can be used only to manufacture property which
8 is protected by one or more United States or foreign patents,
9 shall not exceed the fair and reasonable exchange value
10 between a willing buyer and a willing seller, assuming that
11 the willing buyer is purchasing only the special purpose
12 tooling and not the patent covering the property which the
13 special purpose tooling is designed to manufacture nor the
14 rights to manufacture the patented property. For purposes of
15 this paragraph, special purpose tooling includes dies, jigs,
16 fixtures, molds, patterns, and similar property. The assessor
17 shall not take into consideration the special value or use
18 value to the present owner of the special purpose tooling
19 which is designed and intended solely for the manufacture of
20 property protected by a patent in arriving at the actual value
21 of the special purpose tooling.

22 EXPLANATION

23 This bill provides that the actual value of special purpose
24 tooling shall not exceed the fair and reasonable exchange
25 value between a willing buyer and a willing seller if the
26 buyer is purchasing only the special purpose tooling and not
27 the patent or rights to manufacture the property.

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SENATE FILE 515
FISCAL NOTE

A fiscal note for **SENATE FILE 515** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 515 provides that the actual value of special purpose tooling shall not exceed the fair and reasonable exchange value between a willing buyer and a willing seller if the buyer is purchasing only the special purpose tooling and not the patent or rights to manufacture the property.

Fiscal Effect

This bill would have no impact on state revenues. The bill would reduce valuations on local levies, however, the impact on state expenditures under the school aid program as well as the effect on local property taxes cannot be determined.

Source: Department of Revenue and Finance

(LSB 2651sv, PDD)

FILED APRIL 17, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

1 Section 1. Section 441.21, subsection 1, paragraph b, Code
2 1989, is amended by adding the following new unnumbered
3 paragraph:

4 NEW UNNUMBERED PARAGRAPH. The actual value of special
5 purpose tooling, which is subject to assessment and taxation
6 as real property under section 427A.1, subsection 1, paragraph
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12 tooling and not the patent covering the property which the
13 special purpose tooling is designed to manufacture nor the
14 rights to manufacture the patented property. For purposes of
15 this paragraph, special purpose tooling includes dies, jigs,
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FURMAN, or
MURPHY
RORBAN

SSB 340
WAYS + MEANS

SENATE FILE 515
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS)

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

A BILL FOR

1 An Act relating to the assessment and valuation of certain
2 property.

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

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5 purpose tooling, which is subject to assessment and taxation
6 as real property under section 427A.1, subsection 1, paragraph
7 "e", but which can be used only to manufacture property which
8 is protected by one or more United States or foreign patents,
9 shall not exceed the fair and reasonable exchange value
10 between a willing buyer and a willing seller, assuming that
11 the willing buyer is purchasing only the special purpose
12 tooling and not the patent covering the property which the
13 special purpose tooling is designed to manufacture nor the
14 rights to manufacture the patented property. For purposes of
15 this paragraph, special purpose tooling includes but is not
16 limited to dies, jigs, fixtures, molds, patterns, and similar
17 property. The assessor shall not take into consideration the
18 special value or use value to the present owner of the special
19 purpose tooling which is designed and intended solely for the
20 manufacture of property protected by a patent in arriving at
21 the actual value of the special purpose tooling.

22 EXPLANATION

23 This bill provides that the actual value of special purpose
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25 value between a willing buyer and a willing seller if the
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SENATE FILE 515

AN ACT

RELATING TO THE ASSESSMENT AND VALUATION OF SPECIAL PURPOSE TOOLING PROPERTY.

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

Section 1. Section 441.21, subsection 1, paragraph b, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The actual value of special purpose tooling, which is subject to assessment and taxation as real property under section 427A.1, subsection 1, paragraph "e", but which can be used only to manufacture property which is protected by one or more United States or foreign patents, shall not exceed the fair and reasonable exchange value between a willing buyer and a willing seller, assuming that the willing buyer is purchasing only the special purpose tooling and not the patent covering the property which the special purpose tooling is designed to manufacture nor the rights to manufacture the patented property. For purposes of this paragraph, special purpose tooling includes dies, jigs, fixtures, molds, patterns, and similar property. The assessor shall not take into consideration the special value or use value to the present owner of the special purpose tooling which is designed and intended solely for the manufacture of

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 515, Seventy-third General Assembly.

JOHN P. DWYER
Secretary of the Senate
Approved May 18, 1989

TERRY E. BRANSTAD
Governor