

FILED MAR 6 1997

SENATE FILE 355
BY MCKIBBEN and BLACK of Jasper

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

A BILL FOR

1 An Act exempting certain rural water districts from provisions
2 regarding the state tax imposed on sales and services.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4
5

SENATE FILE 355

S-5046

1 Amend Senate File 355 as follows:
2 1. Page 1, line 4, by inserting after the words
3 "otherwise acquired" the following: "and equipment
4 purchased".
5 2. Page 1, lines 5 through 7, by striking the
6 figure and words "504A, revenues obtained by the
7 district from the sale of water, and the revenue bonds
8 or interest for the revenue bonds issued by the
9 district" and inserting the following: "504A".

By LARRY MCKIBBEN

S-5046 FILED FEBRUARY 18, 1998

S.F. 355

16
17
18
19
20
21
22
23
24
25

1 Section 1. Section 357A.15, Code 1997, is amended by
 2 adding the following new unnumbered paragraph:
 3 NEW UNNUMBERED PARAGRAPH. The facilities constructed or
 4 otherwise acquired by a rural water district which is
 5 organized under chapter 504A, revenues obtained by the
 6 district from the sale of water, and the revenue bonds or
 7 interest for the revenue bonds issued by the district shall be
 8 exempt from taxation to the same extent as a rural water
 9 district organized under this chapter.

10 EXPLANATION
 11 This bill amends Code chapter 357A which provides for the
 12 organization and management of rural water districts. Section
 13 357A.15 provides that facilities constructed or acquired by a
 14 rural water district organized under that chapter are not
 15 subject to taxes imposed by the state. This bill amends that
 16 provision by providing that a district organized under Code
 17 chapter 504A is exempt from taxation to the same extent as a
 18 rural water district organized under Code chapter 357A.

19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31
 32
 33
 34
 35

SENATE FILE 355
FISCAL NOTE

A fiscal note for Senate File 355 as amended by S-5046 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 355 as amended by S-5046 would exempt rural water districts organized under Chapter 504A from the State sales and use tax for facilities constructed or acquired by a district.

ASSUMPTIONS

1. Total spending on sales taxable items by rural water districts organized under Chapter 504A is estimated at approximately \$7.2 million in FY 1999.
2. Total spending by rural water districts for sales taxable items is assumed to increase by 3.0% per year.

FISCAL IMPACT

The fiscal impact of SF 355 as amended by S-5046 is estimated to be approximately \$360,000 in FY 1999 and approximately \$371,000 in FY 2000.

SOURCE

Iowa Rural Water Association

(LSB 2321SS.2, LCS)

FILED FEBRUARY 25, 1998

BY DENNIS PROUTY, FISCAL DIRECTOR