

Boettger, Connolly, Rehberg

SSB 3115
Education

SENATE FILE _____

Succeeded By
SF HF 2228

BY (PROPOSED COMMITTEE ON
EDUCATION BILL BY
CHAIRPERSON BOETTGER)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to utilization of school district moneys for
2 physical plant and equipment levy purposes.

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

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

1 Section 1. Section 298.3, subsection 3, Code 2001, is
2 amended to read as follows:

3 3. The purchase of buildings and the purchase of a-single
4 unit-of-equipment-or-a-technology-system-exceeding-one
5 thousand-five-hundred-dollars-in-value equipment or
6 technology.

7 Sec. 2. Section 298.3, Code 2001, is amended by adding the
8 following new unnumbered paragraph:

9 NEW UNNUMBERED PARAGRAPH. Imposition of the regular and
10 voter-approved physical plant and equipment levies shall not
11 limit or impact the ability of a school district to utilize
12 general fund moneys for the purposes authorized in this
13 section.

14 EXPLANATION

15 This bill relates to the use of school district moneys for
16 physical plant and equipment levy purposes.

17 The bill eliminates a requirement that a school district's
18 purchase of a single unit of equipment or a technology system
19 must exceed \$1,500 in value in order to use physical plant and
20 equipment levy revenue. The elimination of the minimum value
21 requirement would permit use of physical plant and equipment
22 levy revenue for equipment or technology without limitation on
23 monetary value. The bill also deletes the word "system" with
24 reference to the purchase of equipment or technology.

25 The bill additionally provides that imposition of the
26 regular and voter-approved physical plant and equipment levies
27 shall not limit or impact the ability of a school district to
28 utilize general fund moneys for the purposes authorized in
29 Code section 298.3, relating to use of revenues from the
30 levies.

31
32
33
34
35

3/21/02 UNFINISHED BUSINESS CALENDAR

H. 3/7/02 Education
H. 3/13/02 Amend/Do Pass
w/H 8284

FILED FEB 19 2002

SENATE FILE 2228
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3115)

Passed Senate, Date 3/6/02 (P. 512)
Vote: Ayes 45 Nays 0
Approved 4/22/02

Passed House, Date 3-28-02 (P. 1081)
Vote: Ayes 91 Nays 1

(P. 998) Re-Passed 4/8/02
Vote 47-0

Re-Passed 4-9-02 (P. 1019)
Vote 98-0

A BILL FOR

1 An Act relating to utilization of school district moneys for
2 physical plant and equipment levy purposes.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 2228

H-8284

1 Amend Senate File 2228, as passed by the Senate, as
2 follows:

3 1. Page 1, by striking lines 6 through 12.

By COMMITTEE ON EDUCATION
GRUNDBERG of Polk,

Chairperson

H-8284 FILED MARCH 13, 2002

Adopted
3-28-02 (P. 1080)

SF 2228

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

UNNUMBERED PARAGRAPH

1 Section 1. Section 298.3, subsection 3, Code 2001, is
2 amended to read as follows:

3 3. The purchase of buildings and the purchase of a single
4 unit of equipment or a technology system exceeding one
5 thousand five hundred dollars in value.

6 Sec. 2. Section 298.3, Code 2001, is amended by adding the
7 following new unnumbered paragraph:

8 NEW UNNUMBERED PARAGRAPH. Imposition of the regular and
9 voter-approved physical plant and equipment levies shall not
10 limit or impact the ability of a school district to utilize
11 general fund moneys for the purposes authorized in this
12 section.

13 EXPLANATION

14 This bill relates to the use of school district moneys for
15 physical plant and equipment levy purposes.

16 The bill modifies a requirement that a school district's
17 purchase of a single unit of equipment or a technology system
18 must exceed \$1,500 in value in order to use physical plant and
19 equipment levy revenue, changing that requirement to \$500.
20 The bill also deletes the word "system" with reference to the
21 purchase of equipment or technology.

22 The bill additionally provides that imposition of the
23 regular and voter-approved physical plant and equipment levies
24 shall not limit or impact the ability of a school district to
25 utilize general fund moneys for the purposes authorized in
26 Code section 298.3, relating to use of revenues from the
27 levies.

28
29
30
31
32
33
34
35

SENATE FILE 2228

H-8422

1 Amend Senate File 2228, as passed by the Senate, as
2 follows:

3 1. Page 1, by inserting before line 13 the
4 following:

5 "Sec. 103. NEW SECTION. 298B.1 SCHOOL DISTRICT
6 SALES TAX FUND.

7 1. A school district sales tax fund is created as
8 a separate and distinct fund in the state treasury
9 under the control of the department of revenue and
10 finance. Moneys in the fund include revenues credited
11 to the fund pursuant to section 422.69, subsection 2,
12 appropriations made to the fund, and other moneys
13 deposited into the fund. The moneys credited in a
14 fiscal year to the fund shall be distributed as
15 follows:

16 a. (1) A school district located in whole or in
17 part in a county that voted on and approved prior to
18 March 31, 2002, the local sales and services tax for
19 school infrastructure purposes under chapter 422E
20 shall receive an amount equal to its guaranteed school
21 infrastructure amount as calculated under subsection 2
22 if the board of directors notifies the director of
23 revenue and finance that the school district wants to
24 receive its guaranteed school infrastructure amount.
25 The notification shall be provided by July 1, 2003.
26 If notification is not received by July 1, 2003, the
27 school district shall receive moneys pursuant to
28 paragraph "b". Nothing in this chapter shall prevent
29 a school district from using its guaranteed school
30 infrastructure amount to pay principal and interest on
31 obligations issued pursuant to section 422E.4.

32 (2) A school district receiving moneys pursuant to
33 subparagraph (1) shall cease to receive its guaranteed
34 school infrastructure amount and shall receive moneys
35 pursuant to paragraph "b" starting with the calendar
36 quarter immediately following the calendar quarter in
37 which occurs the end of the original ten-year period
38 or the date listed on the original ballot proposition,
39 whichever is the earlier, as provided in chapter 422E.
40 However, a school district receiving moneys pursuant
41 to subparagraph (1) may elect at anytime to receive
42 moneys pursuant to paragraph "b" by providing
43 notification to receive moneys pursuant to paragraph
44 "b" to the director of revenue and finance and the
45 director of the department of management by the middle
46 of the fifth month preceding the calendar quarter for
47 which the election will apply. Once a school district
48 makes this election it is irrevocable.

49 b. (1) Moneys remaining after computations made
50 pursuant to paragraph "a" shall be distributed to

H-8422

H-8422

Page 2

1 school districts not receiving moneys under paragraph
2 "a" on a per student basis calculated by the director
3 of revenue and finance by dividing the moneys
4 available during the previous calendar quarter by the
5 combined actual enrollment for all school districts
6 receiving distributions under this paragraph.

7 (2) The combined actual enrollment for school
8 districts, for purposes of subparagraph (1), shall be
9 calculated by adding together the actual enrollment
10 for each school district receiving distributions under
11 subparagraph (1) as determined by the department of
12 management based on the actual enrollment figures
13 reported by October 1 to the department of management
14 by the department of education pursuant to section
15 257.6, subsection 1. The combined actual enrollment
16 count shall be forwarded to the director of revenue
17 and finance by January 1, annually, for purposes of
18 supplying estimated tax payment figures and making tax
19 payments pursuant to subsection 3 for the following
20 four calendar quarters.

21 2. a. For purposes of distributions under
22 subsection 1, paragraph "a", the school district's
23 guaranteed school infrastructure amount shall be
24 calculated according to the following formula:

25 The district's guaranteed school infrastructure
26 amount equals the product of the county guaranteed
27 school infrastructure amount times the district's
28 county actual enrollment divided by the county
29 combined actual enrollment.

30 b. For purposes of the formula in paragraph "a":

31 (1) "Base year" means the fiscal year beginning
32 July 1, 2001.

33 (2) "Base year county taxable sales percentage"
34 means the percentage that the taxable sales in the
35 county during the base year is of the total state
36 taxable sales during the base year.

37 (3) "County combined actual enrollment" means the
38 actual enrollment figures determined by the department
39 of management for the county based on the actual
40 enrollment figures reported by October 1 to the
41 department of management by the department of
42 education pursuant to section 257.6, subsection 1.

43 (4) "County guaranteed school infrastructure
44 amount" means an amount equal to the product of the
45 county's chapter 422E proportionate share times the
46 amount deposited in the school district sales tax fund
47 for the current quarter times the current quarter
48 county taxable sales percentage divided by the base
49 year county taxable sales percentage.

50 (5) "County's chapter 422E proportionate share"

H-8422

-2-

H-8422

Page 3

1 means the percentage that the annualized revenues
2 received or which would have been received in the
3 county under chapter 422E for the base year is of one-
4 fifth of the total state sales tax revenues collected
5 for deposit into the general fund of the state for the
6 base year.

7 (6) "Current quarter" means the calendar quarter
8 for which distributions under this section are being
9 made.

10 (7) "Current quarter county taxable sales
11 percentage" means the percentage that the taxable
12 sales in the county during the current quarter is of
13 the total state taxable sales during the current
14 quarter.

15 (8) "District's county actual enrollment" means
16 the actual enrollment of the school district that
17 attends school in the county for which the county
18 combined actual enrollment is determined.

19 (9) "Taxable sales" means sales subject to the
20 state sales and services tax under chapter 422,
21 division IV.

22 3. a. The director of revenue and finance by
23 April 10 preceding each fiscal year shall send to each
24 school district an estimate of the amount of tax
25 moneys each school district will receive for the year
26 and for each quarter of the year. At the end of each
27 quarter, the director may revise the estimates for the
28 year and remaining quarters.

29 b. The director shall remit ninety-five percent of
30 the estimated tax receipts collected during the
31 previous calendar quarter for the school district to
32 the school district on or before the end of the
33 following calendar quarter. The first distributions
34 shall be made on or before July 1, 2003, of the
35 estimated tax receipts collected during the calendar
36 quarter beginning January 1, 2003, and ending March
37 31, 2003.

38 c. The director shall remit a final payment of the
39 remainder of tax moneys due for the fiscal year before
40 November 10 of the next fiscal year. If an
41 overpayment has resulted during the previous fiscal
42 year, the November payment shall be adjusted to
43 reflect any overpayment.

44 d. If the distributions are to school districts
45 described in subsection 1, paragraph "a", the payments
46 to these school districts shall be made on a monthly
47 basis beginning with the first distribution to be made
48 in February 2003.

49 4. The department of revenue and finance has
50 rulemaking authority for purposes of carrying out the

H-8422

H-8422

Page 4

1 provisions of this section.

2 Sec. 104. NEW SECTION. 298B.2 USE OF SCHOOL

3 DISTRICT SALES TAX FUND MONEYS.

4 1. a. A school district receiving moneys from the
5 school district sales tax fund under section 298B.1,
6 subsection 1, paragraph "a", shall use the moneys as
7 provided on the original ballot proposition pursuant
8 to chapter 422E, for the payment of principal and
9 interest on general obligation bonds issued pursuant
10 to chapter 296, or section 298.20 or loan agreements
11 under section 297.36, for payments made pursuant to
12 real property lease or lease-purchase agreements, or
13 for payment of principal and interest on bonds issued
14 under section 298B.3 or 422E.4.

15 b. If a school district that qualifies to receive
16 a guaranteed school infrastructure amount under
17 section 298B.1, subsection 1, paragraph "a", elects to
18 receive moneys under section 298B.1, subsection 1,
19 paragraph "b", the school district shall use the
20 moneys received, in an amount equal to its guaranteed
21 school infrastructure amount, for the purposes
22 provided in paragraph "a" of this subsection until the
23 fiscal year immediately following the fiscal year in
24 which occurs the end of the original ten-year period
25 or the date listed on the original ballot proposition,
26 whichever is the earlier, as provided in chapter 422E,
27 at which time all moneys received shall be used as
28 provided in subsection 2.

29 2. a. Moneys received by a school district from
30 the school district sales tax fund under section
31 298B.1, subsection 1, paragraph "b", except to the
32 extent provided in subsection 1, paragraph "b", of the
33 section, shall be spent for property tax relief or
34 infrastructure purposes according to an infrastructure
35 plan developed by the board of directors. The
36 infrastructure plan may apply to more than one fiscal
37 year, but shall be reviewed periodically by the board
38 of directors. Prior to adoption of the plan, the
39 board of directors shall hold a public hearing on the
40 question of approval of the proposed plan. The board
41 shall set forth its proposal and shall publish the
42 notice of the time and place of a public hearing on
43 the proposed plan. Notice of the time and place of
44 the public hearing shall be published not less than
45 ten nor more than twenty days before the public
46 hearing in a newspaper which is a newspaper of general
47 circulation in the school district. At the hearing,
48 or no later than thirty days after the date of the
49 hearing, the board shall take action to adopt the
50 proposed plan.

H-8422

-4-

H-8422

Page 5

1 b. If the board adopts the plan, the board shall
2 direct the county commissioner of elections to submit
3 the question of the approval or disapproval of the
4 infrastructure plan to the registered voters of the
5 school district at the next following regular school
6 election or a special election. If a majority of
7 those voting on the question favor the plan of the
8 board, the moneys received shall be used according to
9 the plan beginning with the first fiscal year
10 following that election until a change in the plan is
11 approved at a subsequent election by a majority of
12 those voting on the question. If a majority of those
13 voting on the question at the election does not favor
14 the plan of the board, the district shall use the
15 moneys received as provided in paragraph "c" for the
16 fiscal year.

17 If a plan is not approved at an election, the
18 question of the approval of the plan or any part of
19 that plan shall not be submitted to the registered
20 voters sooner than six months from the date the plan
21 or part of the plan was previously submitted.

22 c. If the infrastructure plan is not approved at
23 an election as provided in paragraph "b", or if a plan
24 is not approved by the board, moneys received by a
25 school district or moneys in excess of those needed
26 for infrastructure purposes according to an approved
27 plan shall be used for the fiscal year to reduce the
28 following levies including income surtax, if any, in
29 the order determined by the board:

30 (1) Bond levies under sections 298.18 and 298.18A
31 and all other debt levies until the moneys received or
32 the levies are reduced to zero.

33 (2) The regular physical plant and equipment levy
34 under section 298.2, until the moneys received or the
35 levy is reduced to zero.

36 (3) The voter-approved physical plant and
37 equipment levy and income surtax, if any, under
38 section 298.2, until the moneys received or the levy
39 and income surtax, if any, is reduced to zero.

40 (4) The district management levy under section
41 298.4, until the moneys received or the levy is
42 reduced to zero.

43 (5) The cash reserve levy under section 298.10,
44 until the moneys received or the levy is reduced to
45 zero.

46 (6) The budget adjustment levy under section
47 257.14, until the moneys received or the levy is
48 reduced to zero.

49 (7) The playground and equipment levy under
50 section 300.2, until the moneys received or the levy

H-8422

H-8422

Page 6

1 is reduced to zero.

2 d. For purposes of this subsection,
3 "infrastructure purposes" means those purposes for
4 which a school district is authorized to contract
5 indebtedness and issue general obligation bonds under
6 chapter 296 or to expend tax revenues under section
7 298.3, the payment of principal and interest on
8 general obligation bonds issued under chapter 296 or
9 section 298.20 or loan agreements under section
10 297.36, payments made pursuant to a real property
11 lease or lease-purchase agreement, or the payment of
12 principal and interest on bonds issued under section
13 298.3 or 422E.4.

14 e. Notwithstanding any other provision in this
15 subsection, moneys received by a school district from
16 the school district sales tax fund under section
17 298B.1, subsection 1, paragraph "b", during the fiscal
18 year beginning July 1, 2002, shall be dedicated for
19 property tax relief by reducing the levies specified
20 in paragraph "c" for taxes payable in the fiscal year
21 beginning July 1, 2003. However, if an infrastructure
22 plan is approved at an election by the required
23 majority of those voting prior to April 15, 2003, any
24 amount of such dedicated moneys may be used for the
25 purposes specified under the plan.

26 Sec. 105. NEW SECTION. 298B.3 BONDING.

27 A school district receiving moneys pursuant to
28 section 298B.1, subsection 1, paragraph "a", or a
29 school district receiving moneys pursuant to section
30 298B.1, subsection 1, paragraph "b", which has
31 approved by election the use of the moneys for
32 infrastructure purposes, may anticipate the amount of
33 moneys to be received pursuant to section 298B.1 as
34 provided in this section.

35 The board of directors of a school district may
36 issue negotiable, interest-bearing school bonds,
37 without an additional election, and utilize tax
38 receipts derived from the school district sales tax
39 fund for principal and interest repayment. Proceeds
40 of the bonds issued pursuant to this section shall be
41 utilized solely for infrastructure purposes as defined
42 in section 298B.2, subsection 2.

43 Bonds issued under this section may be sold at
44 public sale as provided in chapter 75. Notice shall
45 be given and a hearing shall be held as provided in
46 section 73A.12. Bonds may bear dates, bear interest
47 at rates not exceeding that permitted by chapter 74A,
48 mature in one or more installments, be in either
49 coupon or registered form, carry registration and
50 conversion privileges, be payable as to principal and

H-8422

-6-

H-8422

Page 7

1 interest at times and places, be subject to terms of
2 redemption prior to maturity with or without premium,
3 and be in one or more denominations, all as provided
4 by the resolution of the board of directors
5 authorizing their issuance. However, the maximum
6 period during which principal on the bonds is payable
7 shall not exceed the length of time the infrastructure
8 plan is valid. The resolution may also prescribe
9 additional provisions, terms, conditions, and
10 covenants which the board of directors deems
11 advisable, including provisions for creating and
12 maintaining reserve funds, the issuance of additional
13 bonds ranking on a parity with such bonds and
14 additional bonds junior and subordinate to such bonds,
15 and that such bonds shall rank on a parity with or be
16 junior and subordinate to any bonds which may be then
17 outstanding. Bonds may be issued to refund
18 outstanding and previously issued bonds under this
19 section. Bonds are a contract between the school
20 district and holders, and the resolution issuing the
21 bonds and pledging tax revenues to be received from
22 the school district sales tax fund to the payment of
23 principal and interest on the bonds is a part of the
24 contract. Bonds issued pursuant to this section shall
25 not constitute indebtedness within the meaning of any
26 constitutional or statutory debt limitation or
27 restriction, and shall not be subject to any other law
28 relating to the authorization, issuance, or sale of
29 bonds.

30 A school district may enter into a chapter 28E
31 agreement with another school district or other public
32 entity. The school district shall only expend its
33 designated portion of tax revenues to be received from
34 the school district sales tax fund.

35 Sec. 106. NEW SECTION. 298B.4 REPEAL.

36 This chapter is repealed July 1, 2022, for fiscal
37 years beginning on or after that date.

38 Sec. 107. Section 422.43, subsections 1, 2, 4, 5,
39 6, 7, 10, and 12, Code Supplement 2001, are amended to
40 read as follows:

41 1. There is imposed a tax of ~~five~~ six percent upon
42 the gross receipts from all sales of tangible personal
43 property, consisting of goods, wares, or merchandise,
44 except as otherwise provided in this division, sold at
45 retail in the state to consumers or users; a like rate
46 of tax upon the gross receipts from the sales,
47 furnishing, or service of gas, electricity, water,
48 heat, pay television service, and communication
49 service, including the gross receipts from such sales
50 by any municipal corporation or joint water utility

H-8422

H-8422

Page 8

1 furnishing gas, electricity, water, heat, pay
2 television service, and communication service to the
3 public in its proprietary capacity, except as
4 otherwise provided in this division, when sold at
5 retail in the state to consumers or users; a like rate
6 of tax upon the gross receipts from all sales of
7 tickets or admissions to places of amusement, fairs,
8 and athletic events except those of elementary and
9 secondary educational institutions; a like rate of tax
10 on the gross receipts from an entry fee or like charge
11 imposed solely for the privilege of participating in
12 an activity at a place of amusement, fair, or athletic
13 event unless the gross receipts from the sales of
14 tickets or admissions charges for observing the same
15 activity are taxable under this division; and a like
16 rate of tax upon that part of private club membership
17 fees or charges paid for the privilege of
18 participating in any athletic sports provided club
19 members.

20 2. There is imposed a tax of ~~five~~ six percent upon
21 the gross receipts derived from the operation of all
22 forms of amusement devices and games of skill, games
23 of chance, raffles, and bingo games as defined in
24 chapter 99B, operated or conducted within the state,
25 the tax to be collected from the operator in the same
26 manner as for the collection of taxes upon the gross
27 receipts of tickets or admission as provided in this
28 section. The tax shall also be imposed upon the gross
29 receipts derived from the sale of lottery tickets or
30 shares pursuant to chapter 99E. The tax on the
31 lottery tickets or shares shall be included in the
32 sales price and distributed to the general fund as
33 provided in section 99E.10.

34 4. There is imposed a tax of ~~five~~ six percent upon
35 the gross receipts from the sales of engraving,
36 photography, retouching, printing, and binding
37 services. For the purpose of this division, the sales
38 of engraving, photography, retouching, printing, and
39 binding services are sales of tangible property.

40 5. There is imposed a tax of ~~five~~ six percent upon
41 the gross receipts from the sales of vulcanizing,
42 recapping, and retreading services. For the purpose
43 of this division, the sales of vulcanizing, recapping,
44 and retreading services are sales of tangible
45 property.

46 6. There is imposed a tax of ~~five~~ six percent upon
47 the gross receipts from the sales of optional service
48 or warranty contracts, except residential service
49 contracts regulated under chapter 523C, which provide
50 for the furnishing of labor and materials and require

H-8422

-8-

H-8422

Page 9

1 the furnishing of any taxable service enumerated under
2 this section. The gross receipts are subject to tax
3 even if some of the services furnished are not
4 enumerated under this section. For the purpose of
5 this division, the sale of an optional service or
6 warranty contract, other than a residential service
7 contract regulated under chapter 523C, is a sale of
8 tangible personal property. Additional sales,
9 services, or use taxes shall not be levied on
10 services, parts, or labor provided under optional
11 service or warranty contracts which are subject to tax
12 under this section.

13 If the optional service or warranty contract is a
14 computer software maintenance or support service
15 contract and there is no separately stated fee for the
16 taxable personal property or for the nontaxable
17 service, the tax of five six percent imposed by this
18 subsection shall be imposed on fifty percent of the
19 gross receipts from the sale of such contract. If the
20 contract provides for technical support services only,
21 no tax shall be imposed under this subsection. The
22 provisions of this subsection also apply to the tax
23 imposed by chapter 423.

24 7. There is imposed a tax of five six percent upon
25 the gross receipts from the renting of rooms,
26 apartments, or sleeping quarters in a hotel, motel,
27 inn, public lodging house, rooming house, manufactured
28 or mobile home which is tangible personal property, or
29 tourist court, or in any place where sleeping
30 accommodations are furnished to transient guests for
31 rent, whether with or without meals. "Renting" and
32 "rent" include any kind of direct or indirect charge
33 for such rooms, apartments, or sleeping quarters, or
34 their use. For the purposes of this division, such
35 renting is regarded as a sale of tangible personal
36 property at retail. However, this tax does not apply
37 to the gross receipts from the renting of a room,
38 apartment, or sleeping quarters while rented by the
39 same person for a period of more than thirty-one
40 consecutive days.

41 10. There is imposed a tax of five six percent
42 upon the gross receipts from the rendering,
43 furnishing, or performing of services as defined in
44 section 422.42.

45 12. A tax of five six percent is imposed upon the
46 gross receipts from the sales of prepaid telephone
47 calling cards and prepaid authorization numbers. For
48 the purpose of this division, the sales of prepaid
49 telephone calling cards and prepaid authorization
50 numbers are sales of tangible personal property.

H-8422

H-8422

Page 10

1 Sec. 108. Section 422.43, subsection 13, paragraph
2 a, unnumbered paragraph 1, Code Supplement 2001, is
3 amended to read as follows:

4 A tax of ~~five~~ six percent is imposed upon the gross
5 receipts from the sales, furnishing, or service of
6 solid waste collection and disposal service.

7 Sec. 109. Section 422.43, subsections 16 and 17,
8 Code Supplement 2001, are amended to read as follows:

9 16. a. A tax of ~~five~~ six percent is imposed upon
10 the gross receipts from sales of bundled services
11 contracts. For purposes of this subsection, a
12 "bundled services contract" means an agreement
13 providing for a retailer's performance of services,
14 one or more of which is a taxable service enumerated
15 in this section and one or more of which is not, in
16 return for a consumer's or user's single payment for
17 the performance of the services, with no separate
18 statement to the consumer or user of what portion of
19 that payment is attributable to any one service which
20 is a part of the contract.

21 b. For purposes of the administration of the tax
22 on bundled services contracts, the director may enter
23 into agreements of limited duration with individual
24 retailers, groups of retailers, or organizations
25 representing retailers of bundled services contracts.
26 Such an agreement shall impose the tax rate only upon
27 that portion of the gross receipts from a bundled
28 services contract which is attributable to taxable
29 services provided under the contract.

30 17. A tax of ~~five~~ six percent is imposed upon the
31 gross receipts from any mobile telecommunication
32 service which this state is allowed to tax by the
33 provisions of the federal Mobile Telecommunications
34 Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. § 116 et
35 seq. For purposes of this subsection, taxes on mobile
36 telecommunications service, as defined under the
37 federal Mobile Telecommunications Sourcing Act, that
38 are deemed to be provided by the customer's home
39 service provider shall be paid to the taxing
40 jurisdiction whose territorial limits encompass the
41 customer's place of primary use, regardless of where
42 the mobile telecommunication service originates,
43 terminates, or passes through and shall in all other
44 respects be taxed in conformity with the federal
45 Mobile Telecommunications Sourcing Act. All other
46 provisions of the federal Mobile Telecommunications
47 Sourcing Act are adopted by the state of Iowa and
48 incorporated into this subsection by reference. With
49 respect to mobile telecommunications service under the
50 federal Mobile Telecommunications Sourcing Act the

H-8422

-10-

H-8422

Page 11

1 director shall, if requested, enter into agreements
2 consistent with the provisions of the federal Act.

3 Sec. 110. Section 422.43, Code Supplement 2001, is
4 amended by adding the following new subsection:

5 NEW SUBSECTION. 18. The sales tax rate of six
6 percent is reduced to five percent on July 1, 2022.

7 Sec. 111. Section 422.47, Code Supplement 2001, is
8 amended by adding the following new subsection:

9 NEW SUBSECTION. 2. Construction contractors may
10 make application to the department for a refund of the
11 additional one percent tax paid under this division by
12 reason of the increase in the tax from five to six
13 percent for taxes paid on goods, wares, or merchandise
14 under the following conditions:

15 a. The goods, wares, or merchandise are
16 incorporated into an improvement to real estate in
17 fulfillment of a written contract fully executed prior
18 to January 1, 2003. The refund shall not apply to
19 equipment transferred in fulfillment of a mixed
20 construction contract.

21 b. The contractor has paid to the department or to
22 a retailer the full six percent tax.

23 c. The claim is filed on forms provided by the
24 department and is filed within one year of the date
25 the tax is paid.

26 A contractor who makes an erroneous application for
27 refund shall be liable for payment of the excess
28 refund paid plus interest at the rate in effect under
29 section 421.7. In addition, a contractor who
30 willfully makes a false application for refund is
31 guilty of a simple misdemeanor and is liable for a
32 penalty equal to fifty percent of the excess refund
33 claimed. Excess refunds, penalties, and interest due
34 under this subsection may be enforced and collected in
35 the same manner as the tax imposed by this division.

36 Sec. 112. Section 422.69, subsection 2, Code 2001,
37 is amended to read as follows:

38 2. a. Unless Except as provided in paragraph "b",
39 or as otherwise provided, the fees, taxes, interest,
40 and penalties collected under this chapter shall be
41 credited to the general fund.

42 b. One-sixth of the fees, taxes, interest, and
43 penalties collected pursuant to division IV shall be
44 credited to the school district sales tax fund created
45 in section 298B.1. This paragraph is repealed July 1,
46 2022.

47 Sec. 113. Section 422E.1, Code 2001, is amended by
48 adding the following new subsection:

49 NEW SUBSECTION. 4. a. This chapter does not
50 apply to any county after the effective date of this

H-8422

-11-

H-8422

Page 12

1 section of this Act, except to the extent provided in
2 paragraph "b". Any election on the imposition of the
3 local sales and services tax scheduled to be held on
4 or after the effective date of this section of this
5 Act shall not be held.

6 b. A county that has voted on and approved prior
7 to March 31, 2002, a local sales and services tax for
8 school infrastructure purposes shall impose the tax
9 until December 31, 2002. However, the increase in the
10 state sales and services tax under chapter 422,
11 division IV, from five percent on January 1, 2003, to
12 six percent shall replace the county's local sales and
13 services tax for school infrastructure purposes and to
14 this extent the local sales and services tax for
15 school infrastructure purposes is repealed.

16 Sec. 114. APPLICABILITY. This section applies in
17 regard to the increase in the state sales tax from
18 five to six percent. The six percent rate applies to
19 all sales of taxable personal property, consisting of
20 goods, wares, or merchandise if delivery occurs on or
21 after January 1, 2003. The six percent rate applies
22 to the gross receipts from the sale, furnishing, or
23 service of gas, electricity, water, heat, pay
24 television service, and communication service if the
25 date of billing the customer is on or after January 1,
26 2003. In the case of a service contract entered into
27 prior to January 1, 2003, which contract calls for
28 periodic payments, the six percent rate applies to
29 those payments made or due on or after January 1,
30 2003. This periodic payment applies, but is not
31 limited to, tickets or admissions, private club
32 membership fees, sources of amusement, equipment
33 rental, dry cleaning, reducing salons, dance schools,
34 and all other services subject to tax, except the
35 aforementioned utility services which are subject to a
36 special transitional rule. Unlike periodic payments
37 under service contracts, installment sales of goods,
38 wares, and merchandise are subject to the full amount
39 of sales or use tax when the sales contract is entered
40 into.

41 Sec. 115. EFFECTIVE DATES.

42 1. Sections 103, 104, and 113 of this Act,
43 enacting sections 298B.1 and 298B.2 and section
44 422E.1, subsection 4, being deemed of immediate
45 importance, take effect upon enactment.

46 2. Sections 107, 108, 109, 111, and 112 of this
47 Act, amending section 422.43, increasing the sales
48 tax, and sections 422.47 and 422.69, take effect
49 January 1, 2003."

50 2. Title page, line 2, by inserting after the

H-8422

-12-

H-8422

Page 13

1 word "purposes" the following: "and of school
2 district moneys received from certain state sales tax
3 revenues for property tax relief and infrastructure
4 purposes if approved by the vote of the electorate,
5 providing a penalty, and including effective date
6 provisions."

By HOFFMAN of Crawford
RICHARDSON of Warren
KETTERING of Sac
MERTZ of Kossuth

FINCH of Story
TYMESON of Madison
BRUNKHORST of Bremer

H-8422 FILED MARCH 25, 2002

*W/A
3/28/02
(P.1080)*

SENATE FILE 2228

H-8436

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate as follows:

3 1. Page 1, by inserting after line 2, the
4 following:

5 "____. Page 1, by inserting before line 1 the
6 following:

"DIVISION I

PHYSICAL PLANT AND EQUIPMENT LEVY"

7
8
9 2. Page 1, by striking line 5, and inserting the
10 following:

"DIVISION II

SCHOOL DISTRICT SALES TAX

11
12 Sec. 103. 298B.1 NEW SECTION. SCHOOL DISTRICT".

13
14 3. Page 12, by inserting after line 40, the
15 following:

"DIVISION III

STATE LAND MANAGEMENT AND PLANNING

16
17
18 Sec. ____ . NEW SECTION. 6C.1 TITLE.

19 This chapter shall be known and may be cited as the
20 "Land Management Planning Act".

21 Sec. ____ . NEW SECTION. 6C.2 LAND DEVELOPMENT AND
22 USE -- STATE POLICY ESTABLISHED.

23 It is the policy of this state to provide for the
24 sound and orderly development and use of land and to
25 provide for the protection and preservation of the
26 private and public interest in the land, water, and
27 related resources of this state for the public health,
28 safety, morals, and general welfare of present and
29 future generations. It is further the policy of this
30 state to preserve the use of prime agricultural land
31 for agricultural production and to preserve natural,
32 cultural, and historical areas while striking a
33 balance between legitimate public purposes and private
34 property rights.

35 Sec. ____ . NEW SECTION. 6C.3 DEFINITIONS.

36 1. "Agricultural land" means agricultural land as
37 that term is defined in section 9H.1.

38 2. "Board" means the land management planning
39 board established in section 6C.5.

40 3. "Department" means the department of economic
41 development.

42 4. "Public agency" means an agency as defined in
43 section 17A.2, a county, a city, or other political
44 subdivision, including but not limited to a principal
45 department as provided in section 7E.5, a school
46 corporation organized under chapter 273 or 274, a
47 community college as provided in chapter 260C, or a
48 township as provided in chapter 359.

49 5. "Strategic development plan" means a plan
50 adopted by a county and the cities within the county

H-8436

H-8436

Page 2

1 and approved by the land management planning board as
2 provided in chapter 366.

3 Sec. ____ NEW SECTION. 6C.5 LAND MANAGEMENT
4 PLANNING BOARD.

5 1. A land management planning board is established
6 as the state's principal agency overseeing land
7 management planning by cities and counties. The board
8 shall oversee the administration of this chapter, and
9 chapters 366 and 368, monitor the effectiveness of
10 public agencies in carrying out the policy of this
11 state as established in section 6C.2, and study
12 methods to successfully implement the policy.

13 2. The board shall be composed of the following
14 members:

15 a. One member appointed from a city with a
16 population of more than forty-five thousand, according
17 to the most recent certified federal census.

18 b. One member appointed from a city with a
19 population of forty-five thousand or less, according
20 to the most recent certified federal census.

21 c. One member appointed from a county with a
22 population of more than fifty thousand, according to
23 the most recent certified federal census.

24 d. One member appointed from a county with a
25 population of fifty thousand or less, according to the
26 most recent certified federal census.

27 e. One member appointed to represent the general
28 public.

29 3. The members shall be appointed by the governor
30 subject to confirmation by the senate as provided in
31 section 2.32. The appointments shall be for six-year
32 staggered terms beginning and ending as provided in
33 section 69.19, or for an unexpired term if a vacancy
34 occurs. No member shall serve more than two complete
35 six-year terms.

36 4. The board shall elect a chairperson each year.

37 5. Members of the board, other than a state
38 officer or employee, are entitled to receive a per
39 diem as specified in section 7E.6 for each day spent
40 in performance of duties as members, and shall be
41 reimbursed for all actual and necessary expenses
42 incurred in the performance of duties as members.

43 6. The department shall provide office space and
44 staff assistance, and shall budget funds to cover
45 expenses of the board. The office of attorney general
46 shall provide legal counsel to the board.

47 Sec. ____ NEW SECTION. 6C.6 POWERS AND DUTIES OF
48 THE BOARD.

49 1. The board shall do all of the following:

50 a. Review strategic development plans submitted

H-8436

-2-

H-8436

Page 3

1 for dispute resolution pursuant to section 366.6.
2 b. Review and approve plans submitted for final
3 approval pursuant to section 366.7.
4 c. Approve or disapprove petitions for boundary
5 adjustment as provided in chapter 368.
6 d. Establish policies for administration of the
7 land management planning fund created in section 6C.7.
8 e. Adopt rules pursuant to chapter 17A necessary
9 to administer its duties under this chapter and
10 chapters 366 and 368.

11 2. The board may adopt forms to be completed and
12 submitted by cities and counties as necessary for the
13 efficient administration of this chapter and chapters
14 366 and 368.

15 Sec. ____ . NEW SECTION. 6C.7 LAND MANAGEMENT
16 PLANNING FUND.

17 1. A land management planning fund is created
18 within the state treasury under the control of the
19 department. Moneys in the fund shall be used
20 exclusively to pay for the costs of administration of
21 this chapter and chapters 366 and 368 by the
22 department.

23 2. The fund shall consist of all of the following:
24 a. Moneys appropriated by the general assembly.
25 b. Moneys available to and obtained or accepted by
26 the department from the federal government or private
27 sources for deposit in the fund.

28 DIVISION IV
29 LOCAL GOVERNMENT LAND MANAGEMENT AND PLANNING

30 Sec. ____ . NEW SECTION. 366.1 DEFINITIONS.

31 1. "Agricultural land" means agricultural land as
32 defined in section 9H.1.

33 2. "Board" means the land management planning
34 board created in section 6C.5.

35 Sec. ____ . NEW SECTION. 366.2 LOCAL STRATEGIC
36 DEVELOPMENT COMMITTEE.

37 1. A local strategic development committee is
38 created within each county. Members shall be
39 appointed to the committee on or before September 1,
40 2002. The committee shall be composed of the
41 following members:

42 a. Three members appointed by the county board of
43 supervisors. Two of the three members must be
44 residents of the unincorporated area of the county.

45 b. One member appointed by the city council of
46 each city located in the county.

47 c. One member appointed by the mayor of each of
48 the two cities with the highest population located in
49 the county.

50 d. An additional member shall be appointed by the

H-8436

H-8436

Page 4

1 mayor of each participating city for every fifty
2 thousand residents in the city.

3 2. A city shall be represented on a committee if
4 any part of the city is located in the county.
5 However, if the portion of the city in the county is
6 less than one-half of the entire geographical area of
7 the city, the member representing the city shall be a
8 nonvoting member of the committee.

9 3. Two or more contiguous counties may organize as
10 one combined strategic development committee.

11 4. The committee shall hold an organizational
12 meeting no later than ten days after appointment of
13 members. The organizational meeting shall be convened
14 by the chairperson of the county board of supervisors.

15 Sec. ____ . NEW SECTION. 366.3 STRATEGIC
16 DEVELOPMENT PLAN -- GOALS AND OBJECTIVES.

17 1. The local strategic development committee shall
18 create and recommend a strategic development plan for
19 the county.

20 2. The purpose of a strategic development plan is
21 to direct coordinated, efficient, and orderly urban
22 development that will, based on an analysis of present
23 and future needs, best promote the public health,
24 safety, morals, and general welfare. The goals and
25 objectives of a strategic development plan include the
26 following:

27 a. Encouraging a pattern of compact development in
28 strategic development areas.

29 b. Promoting redevelopment of existing urban
30 areas.

31 c. Promoting employment opportunities and the
32 economic health of the county and all cities in the
33 county.

34 d. Providing for a variety of housing choices
35 within strategic development areas and assuring
36 affordable housing for future population growth.

37 e. Identifying and conserving natural resource
38 areas, environmentally sensitive land, and features of
39 significant local, statewide, or regional
40 architectural, cultural, historical, or archaeological
41 interest.

42 f. Preserving land identified by the strategic
43 development committee as prime agricultural land for
44 use in agricultural production.

45 g. Balancing the need for land management
46 regulations with the protection of private property
47 rights.

48 h. Ensuring the efficient use of infrastructure
49 and that adequate municipal services are provided
50 concurrently with development.

H-8436

-4-

H-8436

Page 5

1 i. Taking into consideration such other matters
2 that are related to the coordinated, efficient, and
3 orderly development of the county and all cities in
4 the county.

5 Sec. ____ . NEW SECTION. 366.4 STRATEGIC
6 DEVELOPMENT PLAN -- REQUIREMENTS.

7 1. A strategic development plan shall divide the
8 county into strategic development areas where future
9 development would be allowed to occur and strategic
10 preservation areas where development would not be
11 allowed. A strategic development plan shall address
12 transportation, public infrastructure, municipal
13 services, economic development, housing, recreation,
14 natural resources, and land use. A strategic
15 development plan may address hazard mitigation, energy
16 systems, cultural preservation, and other elements
17 appropriate to the area governed by the plan.

18 2. The committee shall conduct a review of
19 existing comprehensive plans governing the county, if
20 applicable, and governing each city located in the
21 county.

22 3. Before the committee drafts a strategic
23 development plan, the committee shall hold a public
24 hearing in order to obtain citizen input on
25 preparation of the strategic development plan. The
26 hearing shall be held no later than thirty days after
27 the committee's organizational meeting. The county
28 auditor shall publish notice of the time, date, place,
29 and purpose of the public hearing in a newspaper of
30 general circulation in the county. The notice must be
31 published not less than ten days but no more than
32 twenty days before the hearing. The notice shall
33 include a description of the general duties of the
34 strategic development committee and the cities and
35 counties represented on the strategic development
36 committee.

37 4. A strategic development plan shall include
38 documents describing and depicting the corporate
39 limits of each city in the county and the boundaries
40 of each strategic development area and each strategic
41 preservation area.

42 5. a. In establishing a strategic development
43 area, the plan shall do all of the following:

44 (1) Identify territory that a reasonable and
45 prudent person would project as the likely site of
46 commercial, industrial, or residential growth over the
47 next twenty years based on historical experience,
48 economic trends, population growth patterns,
49 topographical characteristics, and any professional
50 planning, engineering, and economic studies that are

H-8436

-5-

H-8436

Page 6

1 available. The city shall report population growth
2 projections for the city based upon federal census
3 data.

4 (2) Identify agricultural land which has a corn
5 suitability rating of sixty or higher, according to
6 information released by Iowa state university to the
7 department of revenue and finance for assessment and
8 taxation of agricultural land. Agricultural land with
9 a corn suitability rating of sixty or higher shall not
10 be included in a strategic development area unless the
11 local strategic development committee makes a showing
12 that the land is necessary for the orderly development
13 of the strategic development area.

14 b. In establishing a strategic preservation area,
15 the plan shall identify territory to be preserved for
16 the next twenty years for agricultural purposes,
17 forests, recreational areas, wildlife management
18 areas, cultural areas, historical areas, or other
19 areas planned for preservation.

20 6. When designating that part of a strategic
21 development area contiguous to a city, the committee
22 shall identify, and give consideration to, the amount
23 of territory within the current incorporated
24 boundaries of the city that is vacant or undeveloped
25 land.

26 7. The committee shall utilize planning resources
27 that are available within the county, including city
28 and county planning commissions, zoning
29 administrators, and a council of governments
30 established pursuant to chapter 28H. The committee is
31 also encouraged to utilize the services of a joint
32 planning commission established pursuant to chapter
33 28I and colleges and universities in the state.

34 Sec. ____ . NEW SECTION. 366.5 LOCAL GOVERNMENT
35 RATIFICATION OF STRATEGIC DEVELOPMENT PLAN.

36 1. Before the committee submits the plan
37 recommended for ratification, the committee shall hold
38 at least one public hearing on the proposed
39 recommended strategic development plan. The county
40 auditor shall publish notice of the time, place, and
41 purpose of the public hearing in a newspaper of
42 general circulation in the county. The notice must be
43 published at least ten days but no more than twenty
44 days before the hearing.

45 2. Not later than January 1, 2004, the committee
46 shall submit the recommended strategic development
47 plan to the county board of supervisors and the city
48 council of each city in the county.

49 a. Not later than sixty days after receiving the
50 recommended strategic development plan, the county

H-8436

-6-

H-8436

Page 7

1 board of supervisors and each city council shall by
2 resolution either ratify or reject the recommended
3 strategic development plan. A city or county that
4 fails to timely act on the resolution shall be deemed
5 to have ratified the recommended strategic development
6 plan on the last day of the sixty-day period. If the
7 strategic development plan is ratified, the committee
8 shall submit the plan to the land management planning
9 board for approval.

10 b. If the county board of supervisors or a city
11 council rejects the recommended strategic development
12 plan submitted by the committee, the county or city
13 shall submit its objections to the plan along with the
14 notice of rejection. After receiving objections to
15 the plan, the committee may recommend a revised
16 strategic development plan no later than sixty days
17 after the recommended plan is rejected or may resubmit
18 the original plan. Before the committee submits the
19 revised plan recommended for ratification, the
20 committee shall hold at least one public hearing on
21 the revised plan in the manner provided in subsection
22 1. The committee shall submit any revised strategic
23 development plan to the county board of supervisors
24 and the city council of each city in the county for
25 ratification.

26 Not later than sixty days after receiving a revised
27 strategic development plan, the county board of
28 supervisors and each city council shall either ratify
29 or reject the revised strategic development plan in
30 the same manner as provided in paragraph "a". A city
31 or county that fails to timely act on a resolution
32 shall be deemed to have ratified the revised strategic
33 development plan on the last day of the sixty-day
34 period.

35 Sec. ____ . NEW SECTION. 366.6 DISPUTE RESOLUTION.

36 1. If a recommended strategic development plan and
37 a revised strategic development plan are rejected
38 pursuant to section 366.5, the committee shall submit
39 each of the rejected plans to the board for resolution
40 of the matter within ten days of rejection of the
41 revised plan. The board shall review the strategic
42 development plans submitted by the committee and may
43 adopt such amendments to a plan necessary for its
44 approval by the board.

45 2. Not later than October 1, 2004, the board shall
46 have approved strategic development plans submitted to
47 the board for dispute resolution. Such approval is
48 deemed to satisfy the approval requirement of section
49 366.7.

50 Sec. ____ . NEW SECTION. 366.7 PLAN SUBMITTED TO

H-8436

H-8436

Page 8

1 BOARD FOR FINAL APPROVAL.

2 A strategic development plan ratified pursuant to
3 section 366.5 shall be submitted to the board for
4 approval within ten days of ratification of the plan.
5 If the board determines that a plan conforms with the
6 requirements of this chapter, the board shall approve
7 the plan. If the board determines that a plan does
8 not so conform, the board shall adopt such amendments
9 to the plan necessary for its approval by the board.
10 The board shall have approved all plans by January 1,
11 2005.

12 Sec. ____ . NEW SECTION. 366.8 RECORDING OF
13 STRATEGIC DEVELOPMENT PLAN.

14 After the board has approved a strategic
15 development plan, the board shall retain a copy of the
16 plan on file and shall forward a copy to the county
17 auditor who shall record the plan in the office of
18 county recorder no later than five days after
19 receiving the plan from the board.

20 Sec. ____ . NEW SECTION. 366.9 DURATION OF PLANS
21 -- REVIEW AND AMENDMENT.

22 After a strategic development plan has been
23 recorded with the county recorder, the plan shall
24 remain in effect for not less than five years absent a
25 showing of extraordinary circumstances necessitating a
26 change in the plan. After expiration of the five-year
27 period, the county or a city in the county may propose
28 an amendment to the strategic development plan or may
29 propose a review of the plan by filing notice with the
30 county board of supervisors for the county and the
31 city council of each city in the county. Upon receipt
32 of such notice by the county and each city, the county
33 board of supervisors shall promptly reconvene the
34 local strategic planning committee. The burden of
35 proving the reasonableness of a proposed amendment to
36 the plan shall be upon the party proposing the
37 amendment. The procedures for amending the strategic
38 development plan shall be the same as the procedures
39 set forth in this chapter for creating the original
40 strategic development plan.

41 Sec. ____ . NEW SECTION. 366.10 JUDICIAL REVIEW.

42 1. The county, a city in the county, a resident of
43 the county, or an owner of real property located in
44 the county may seek judicial review of a decision of
45 the board relating to the strategic development plan
46 presented to the board for its approval. The judicial
47 review provisions of this section and chapter 17A
48 shall be the exclusive means by which a person or
49 party who is aggrieved or adversely affected by action
50 of the board may seek judicial review of the action of

H-8436

-8-

H-8436

Page 9

1 the board or of a local government.

2 2. A petition for judicial review must be filed
3 within sixty days after the strategic development plan
4 is recorded with the county recorder. In accordance
5 with the Iowa rules of civil procedure pertaining to
6 service of process, copies of the petition shall be
7 served upon the board.

8 3. The court's review is limited to questions
9 relating to jurisdiction, regularity of proceedings,
10 and whether the action of the board is, by a
11 preponderance of the evidence, arbitrary,
12 unreasonable, or without substantial supporting
13 evidence. The court may nullify an action of the
14 board and return the plan with appropriate directions
15 to the board.

16 4. The filing of a petition for judicial review
17 does not stay the effectiveness of the strategic
18 development plan or recognition of strategic
19 development areas and strategic preservation areas
20 identified in the plan. However, the court may order
21 a stay upon appropriate terms if it is shown to the
22 satisfaction of the court that any party or the public
23 at large is likely to suffer significant injury if a
24 stay is not granted. If more than one petition for
25 judicial review regarding a single board action is
26 filed, all such petitions shall be consolidated and
27 tried as a single civil action.

28 5. The following portions of section 17A.19 are
29 not applicable to this chapter:

30 a. The portion of subsection 2 relating to where
31 proceedings for judicial review shall be instituted.

32 b. Subsection 5.

33 c. Subsection 8.

34 d. Subsections 10 through 12.

35 Sec. ____ . NEW SECTION. 366.11 LOCAL
36 IMPLEMENTATION.

37 1. A city or county shall not adopt ordinances
38 regulating land development and management within its
39 territory that are inconsistent with the strategic
40 development plan governing the territory.

41 2. A strategic development plan approved pursuant
42 to this chapter shall be the basis for the
43 comprehensive plan of each county required pursuant to
44 section 335.5, if the county has adopted a zoning
45 ordinance, and for the comprehensive plan of each city
46 in the county required pursuant to section 414.3. The
47 county and each city shall amend its comprehensive
48 plan to conform to the strategic development plan.
49 After a strategic development plan is approved, all
50 land use decisions made by the governing body of each

H-8436

H-8436

Page 10

1 city and county and the city's or county's planning
2 commission shall be consistent with the strategic
3 development plan.

4 3. A city or county is under no obligation to
5 provide municipal services for development that does
6 not conform to the applicable strategic development
7 plan.

8 Sec. ____ . NEW SECTION. 414.32 REGULATORY
9 INCENTIVES.

10 Cities shall provide regulatory incentives,
11 including expedited permitting and waiver of permit
12 fees, for new development, expansion of existing
13 development, and redevelopment within all or part of
14 the incorporated boundaries of the city in areas
15 containing undeveloped or underdeveloped land or
16 buildings that are substandard, dilapidated, vacant,
17 abandoned, or functionally obsolete.

18 DIVISION V

19 CITY DEVELOPMENT

20 Sec. ____ . Section 368.1, subsection 3, Code 2001,
21 is amended to read as follows:

22 3. "Board" means the ~~city development land~~
23 management planning board established in section ~~368.9~~
24 6C.5.

25 Sec. ____ . NEW SECTION. 368.5A ANNEXATION
26 PROHIBITED -- STRATEGIC PRESERVATION AREAS.

27 Beginning January 1, 2005, only territory contained
28 in a strategic development area may be annexed. The
29 city council or land management planning board shall
30 not approve any application or petition that seeks to
31 annex territory contained in a strategic preservation
32 area.

33 Sec. ____ . Section 368.7A, subsection 1, Code 2001,
34 is amended to read as follows:

35 1. The board of supervisors of each affected
36 county shall notify the ~~city development land~~
37 management planning board of the existence of that
38 portion of any secondary road which extends to the
39 center line but has not become part of the city by
40 annexation and has a common boundary with a city. The
41 notification shall include a legal description and a
42 map identifying the location of the secondary road.
43 The ~~city development land management planning board~~
44 shall provide notice and an opportunity to be heard to
45 each city in or next to which the secondary road is
46 located. The ~~city development land management~~
47 planning board shall certify that the notification is
48 correct and declare the road, or portion of the road
49 extending to the center line, annexed to the city as
50 of the date of certification. This section is not

H-8436

-10-

H-8436

Page 11

1 intended to interfere with or modify existing chapter
2 28E agreements on jurisdictional transfer of roads, or
3 continuing negotiations between jurisdictions.

4 Sec. _____. Section 368.11, Code Supplement 2001, is
5 amended by adding the following new unnumbered
6 paragraph before unnumbered paragraph 3:

7 NEW UNNUMBERED PARAGRAPH. Plans required by this
8 section to be filed with a petition shall include
9 specific information pertaining to estimated costs of
10 implementing the plan, the time frame involved in
11 implementing the plan, and any other specific
12 information related to implementing the plan.

13 Sec. _____. Section 368.11, Code Supplement 2001, is
14 amended by adding the following new subsection:

15 NEW SUBSECTION. 14. A statement describing how
16 the boundary adjustment will conform to the strategic
17 development plan governing the territory.

18 Sec. _____. Sections 368.9 and 368.10, Code 2001,
19 are repealed.

DIVISION VI

CORRESPONDING AMENDMENTS

21 Sec. _____. Section 15.108, subsection 3, paragraph
22 a, subparagraph (2), Code Supplement 2001, is amended
23 to read as follows:

24 (2) Provide office space and staff assistance to
25 the ~~city development~~ land management planning board as
26 provided in section ~~368.9~~ 6C.5.

27 Sec. _____. Section 331.304, subsection 7, Code
28 2001, is amended to read as follows:

29 7. The board may file a petition with the ~~city~~
30 ~~development~~ land management planning board as provided
31 in section 368.11.

32 Sec. _____. Section 331.321, subsection 1, paragraph
33 t, Code Supplement 2001, is amended to read as
34 follows:

35 t. Local representatives to serve with the ~~city~~
36 ~~development~~ land management planning board as provided
37 in section 368.14.

38 Sec. _____. Section 384.38, subsection 2, Code 2001,
39 is amended to read as follows:

40 2. Upon petition as provided in section 384.41,
41 subsection 1, a city may assess to private property
42 affected by public improvements within three miles of
43 the city's boundaries the cost of construction and
44 repair of public improvements within that area. The
45 right-of-way of a railway company shall not be
46 assessed unless the company joins as a petitioner for
47 ~~said~~ such improvements. In the petition the property
48 owners shall waive the limitation provided in section
49 384.62 that an assessment may not exceed twenty-five

H-8436

-11-

H-8436

Page 12

1 percent of the value of the lot. The petition shall
 2 contain a statement that the owners agree to pay the
 3 city an amount equal to five percent of the cost of
 4 the improvements, to cover administrative expenses
 5 incurred by the city. This amount may be added to the
 6 cost of the improvements. Before the council may
 7 adopt the resolution of necessity, the preliminary
 8 resolution, preliminary plans and specifications,
 9 plat, schedule, and estimate of cost must be submitted
 10 to, and receive written approval from, the board of
 11 supervisors of any county which contains part of the
 12 property, and the ~~city development~~ land management
 13 planning board established in section ~~368.9~~ 6C.5.

14 Sec. ____ . LAND MANAGEMENT PLANNING BOARD
 15 TRANSITION. Terms of current city development board
 16 members shall continue until their expiration.

17 Sec. ____ . IMPLEMENTATION OF ACT. Section 25B.2,
 18 subsection 3, shall not apply to this Act."

19 4. Page 12, by inserting after line 49, the
 20 following:

21 "3. The section of this Act amending section 298.3
 22 takes effect July 1, 2002.

23 4. The sections of this Act enacting section
 24 368.5A and amending section 368.11 take effect January
 25 1, 2005.

26 5. The remainder of this Act takes effect May 1,
 27 2002."

28 5. Page 13, line 4, by inserting after the word
 29 "electorate" the following: "and providing a method
 30 for state and local land management and planning".

31 6. By renumbering as necessary.

By FALLON of Polk

H-8436 FILED MARCH 26, 2002

c/o
3/28/02
(P.1080)
 H-8438

SENATE FILE 2228

1 Amend Senate File 2228, as passed by the Senate, as
 2 follows:

3 1. Page 1, by inserting after line 12 the
 4 following:

5 "Sec. ____ . Section 298.4, Code 2001, is amended by
 6 adding the following new subsection:

7 NEW SUBSECTION. 6. To pay the operational costs
 8 of transportation expenses otherwise payable from a
 9 school district's general fund."

10 2. Title page, line 2, by striking the word
 11 "purposes" and inserting the following: "and
 12 management levy purposes, and relating to the purposes
 13 for which management levy revenue may be utilized".

14 3. By renumbering as necessary.

By OSTERHAUS of Jackson

H-8438 FILED MARCH 26, 2002

w/d
3/28/02
(P.1081)

SENATE FILE 2228

H-8439

1 Amend Senate File 2228, as passed by the Senate, as
2 follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1. Section 296.7, subsection 3, Code
6 2001, is amended to read as follows:

7 3. A Except as provided in section 298.4, a school
8 district, providing an insurance program as described
9 in subsection 2, shall not contract indebtedness and
10 issue general obligation bonds or enter into insurance
11 agreements obligating the school district to make
12 payments beyond its current budget year for that
13 employee benefit plan. A school district may,
14 however, apply to the school budget review committee
15 for relief if necessitated by the expenses in the
16 school district's insurance program as described in
17 subsection 2."

18 2. Page 1, by inserting after line 12 the
19 following:

20 "Sec. ____ Section 298.4, Code 2001, is amended by
21 adding the following new subsection:

22 NEW SUBSECTION. 6. To pay the cost of employee
23 health benefits. For the purposes of this subsection,
24 employee health benefits shall refer to costs for
25 hospital and surgical, medical expense, major medical,
26 dental, or prescription drug benefits."

27 3. Title page, line 2, by striking the word
28 "purposes" and inserting the following: "and
29 management levy purposes, and relating to the purposes
30 for which management levy revenue may be utilized".

31 4. By renumbering as necessary.

By OSTERHAUS of Jackson

H-8439 FILED MARCH 26, 2002

W/AD
3/28/02
(P. 1080)

SENATE FILE 2228

H-8442

1 Amend Senate File 2228, as passed by the Senate, as
2 follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "DIVISION I

6 PHYSICAL PLANT AND EQUIPMENT LEVY"

7 2. Page 1, by inserting after line 12 the
8 following:

9 "DIVISION II

10 STATE LAND MANAGEMENT AND PLANNING

11 Sec. ____ . NEW SECTION. 6C.1 TITLE.

12 This chapter shall be known and may be cited as the
13 "Land Management Planning Act".

14 Sec. ____ . NEW SECTION. 6C.2 LAND DEVELOPMENT AND
15 USE -- STATE POLICY ESTABLISHED.

16 It is the policy of this state to provide for the
17 sound and orderly development and use of land and to
18 provide for the protection and preservation of the
19 private and public interest in the land, water, and
20 related resources of this state for the public health,
21 safety, morals, and general welfare of present and
22 future generations. It is further the policy of this
23 state to preserve the use of prime agricultural land
24 for agricultural production and to preserve natural,
25 cultural, and historical areas while striking a
26 balance between legitimate public purposes and private
27 property rights.

28 Sec. ____ . NEW SECTION. 6C.3 DEFINITIONS.

29 1. "Agricultural land" means agricultural land as
30 that term is defined in section 9H.1.

31 2. "Board" means the land management planning
32 board established in section 6C.5.

33 3. "Department" means the department of economic
34 development.

35 4. "Public agency" means an agency as defined in
36 section 17A.2, a county, a city, or other political
37 subdivision, including but not limited to a principal
38 department as provided in section 7E.5, a school
39 corporation organized under chapter 273 or 274, a
40 community college as provided in chapter 260C, or a
41 township as provided in chapter 359.

42 5. "Strategic development plan" means a plan
43 adopted by a county and the cities within the county
44 and approved by the land management planning board as
45 provided in chapter 366.

46 Sec. ____ . NEW SECTION. 6C.5 LAND MANAGEMENT
47 PLANNING BOARD.

48 1. A land management planning board is established
49 as the state's principal agency overseeing land
50 management planning by cities and counties. The board

H-8442

H-8442

Page 2

1 shall oversee the administration of this chapter, and
2 chapters 366 and 368, monitor the effectiveness of
3 public agencies in carrying out the policy of this
4 state as established in section 6C.2, and study
5 methods to successfully implement the policy.

6 2. The board shall be composed of the following
7 members:

8 a. One member appointed from a city with a
9 population of more than forty-five thousand, according
10 to the most recent certified federal census.

11 b. One member appointed from a city with a
12 population of forty-five thousand or less, according
13 to the most recent certified federal census.

14 c. One member appointed from a county with a
15 population of more than fifty thousand, according to
16 the most recent certified federal census.

17 d. One member appointed from a county with a
18 population of fifty thousand or less, according to the
19 most recent certified federal census.

20 e. One member appointed to represent the general
21 public.

22 3. The members shall be appointed by the governor
23 subject to confirmation by the senate as provided in
24 section 2.32. The appointments shall be for six-year
25 staggered terms beginning and ending as provided in
26 section 69.19, or for an unexpired term if a vacancy
27 occurs. No member shall serve more than two complete
28 six-year terms.

29 4. The board shall elect a chairperson each year.

30 5. Members of the board, other than a state
31 officer or employee, are entitled to receive a per
32 diem as specified in section 7E.6 for each day spent
33 in performance of duties as members, and shall be
34 reimbursed for all actual and necessary expenses
35 incurred in the performance of duties as members.

36 6. The department shall provide office space and
37 staff assistance, and shall budget funds to cover
38 expenses of the board. The office of attorney general
39 shall provide legal counsel to the board.

40 Sec. _____. NEW SECTION. 6C.6 POWERS AND DUTIES OF
41 THE BOARD.

42 1. The board shall do all of the following:

43 a. Review strategic development plans submitted
44 for dispute resolution pursuant to section 366.6.

45 b. Review and approve plans submitted for final
46 approval pursuant to section 366.7.

47 c. Approve or disapprove petitions for boundary
48 adjustment as provided in chapter 368.

49 d. Establish policies for administration of the
50 land management planning fund created in section 6C.7.

H-8442

H-8442

Page 3

1 e. Adopt rules pursuant to chapter 17A necessary
2 to administer its duties under this chapter and
3 chapters 366 and 368.

4 2. The board may adopt forms to be completed and
5 submitted by cities and counties as necessary for the
6 efficient administration of this chapter and chapters
7 366 and 368.

8 Sec. _____. NEW SECTION. 6C.7 LAND MANAGEMENT
9 PLANNING FUND.

10 1. A land management planning fund is created
11 within the state treasury under the control of the
12 department. Moneys in the fund shall be used
13 exclusively to pay for the costs of administration of
14 this chapter and chapters 366 and 368 by the
15 department.

16 2. The fund shall consist of all of the following:

17 a. Moneys appropriated by the general assembly.

18 b. Moneys available to and obtained or accepted by
19 the department from the federal government or private
20 sources for deposit in the fund.

21 DIVISION III

22 LOCAL GOVERNMENT LAND MANAGEMENT AND PLANNING

23 Sec. _____. NEW SECTION. 366.1 DEFINITIONS.

24 1. "Agricultural land" means agricultural land as
25 defined in section 9H.1.

26 2. "Board" means the land management planning
27 board created in section 6C.5.

28 Sec. _____. NEW SECTION. 366.2 LOCAL STRATEGIC
29 DEVELOPMENT COMMITTEE.

30 1. A local strategic development committee is
31 created within each county. Members shall be
32 appointed to the committee on or before September 1,
33 2002. The committee shall be composed of the
34 following members:

35 a. Three members appointed by the county board of
36 supervisors. Two of the three members must be
37 residents of the unincorporated area of the county.

38 b. One member appointed by the city council of
39 each city located in the county.

40 c. One member appointed by the mayor of each of
41 the two cities with the highest population located in
42 the county.

43 d. An additional member shall be appointed by the
44 mayor of each participating city for every fifty
45 thousand residents in the city.

46 2. A city shall be represented on a committee if
47 any part of the city is located in the county.
48 However, if the portion of the city in the county is
49 less than one-half of the entire geographical area of
50 the city, the member representing the city shall be a

H-8442

-3-

H-8442

Page 4

1 nonvoting member of the committee.

2 3. Two or more contiguous counties may organize as
3 one combined strategic development committee.

4 4. The committee shall hold an organizational
5 meeting no later than ten days after appointment of
6 members. The organizational meeting shall be convened
7 by the chairperson of the county board of supervisors.

8 Sec. ____ . NEW SECTION. 366.3 STRATEGIC
9 DEVELOPMENT PLAN -- GOALS AND OBJECTIVES.

10 1. The local strategic development committee shall
11 create and recommend a strategic development plan for
12 the county.

13 2. The purpose of a strategic development plan is
14 to direct coordinated, efficient, and orderly urban
15 development that will, based on an analysis of present
16 and future needs, best promote the public health,
17 safety, morals, and general welfare. The goals and
18 objectives of a strategic development plan include the
19 following:

20 a. Encouraging a pattern of compact development in
21 strategic development areas.

22 b. Promoting redevelopment of existing urban
23 areas.

24 c. Promoting employment opportunities and the
25 economic health of the county and all cities in the
26 county.

27 d. Providing for a variety of housing choices
28 within strategic development areas and assuring
29 affordable housing for future population growth.

30 e. Identifying and conserving natural resource
31 areas, environmentally sensitive land, and features of
32 significant local, statewide, or regional
33 architectural, cultural, historical, or archaeological
34 interest.

35 f. Preserving land identified by the strategic
36 development committee as prime agricultural land for
37 use in agricultural production.

38 g. Balancing the need for land management
39 regulations with the protection of private property
40 rights.

41 h. Ensuring the efficient use of infrastructure
42 and that adequate municipal services are provided
43 concurrently with development.

44 i. Taking into consideration such other matters
45 that are related to the coordinated, efficient, and
46 orderly development of the county and all cities in
47 the county.

48 Sec. ____ . NEW SECTION. 366.4 STRATEGIC
49 DEVELOPMENT PLAN -- REQUIREMENTS.

50 1. A strategic development plan shall divide the

H-8442

H-8442

Page 5

1 county into strategic development areas where future
2 development would be allowed to occur and strategic
3 preservation areas where development would not be
4 allowed. A strategic development plan shall address
5 transportation, public infrastructure, municipal
6 services, economic development, housing, recreation,
7 natural resources, and land use. A strategic
8 development plan may address hazard mitigation, energy
9 systems, cultural preservation, and other elements
10 appropriate to the area governed by the plan.

11 2. The committee shall conduct a review of
12 existing comprehensive plans governing the county, if
13 applicable, and governing each city located in the
14 county.

15 3. Before the committee drafts a strategic
16 development plan, the committee shall hold a public
17 hearing in order to obtain citizen input on
18 preparation of the strategic development plan. The
19 hearing shall be held no later than thirty days after
20 the committee's organizational meeting. The county
21 auditor shall publish notice of the time, date, place,
22 and purpose of the public hearing in a newspaper of
23 general circulation in the county. The notice must be
24 published not less than ten days but no more than
25 twenty days before the hearing. The notice shall
26 include a description of the general duties of the
27 strategic development committee and the cities and
28 counties represented on the strategic development
29 committee.

30 4. A strategic development plan shall include
31 documents describing and depicting the corporate
32 limits of each city in the county and the boundaries
33 of each strategic development area and each strategic
34 preservation area.

35 5. a. In establishing a strategic development
36 area, the plan shall do all of the following:

37 (1) Identify territory that a reasonable and
38 prudent person would project as the likely site of
39 commercial, industrial, or residential growth over the
40 next twenty years based on historical experience,
41 economic trends, population growth patterns,
42 topographical characteristics, and any professional
43 planning, engineering, and economic studies that are
44 available. The city shall report population growth
45 projections for the city based upon federal census
46 data.

47 (2) Identify agricultural land which has a corn
48 suitability rating of sixty or higher, according to
49 information released by Iowa state university to the
50 department of revenue and finance for assessment and

H-8442

-5-

H-8442

Page 6

1 taxation of agricultural land. Agricultural land with
2 a corn suitability rating of sixty or higher shall not
3 be included in a strategic development area unless the
4 local strategic development committee makes a showing
5 that the land is necessary for the orderly development
6 of the strategic development area.

7 b. In establishing a strategic preservation area,
8 the plan shall identify territory to be preserved for
9 the next twenty years for agricultural purposes,
10 forests, recreational areas, wildlife management
11 areas, cultural areas, historical areas, or other
12 areas planned for preservation.

13 6. When designating that part of a strategic
14 development area contiguous to a city, the committee
15 shall identify, and give consideration to, the amount
16 of territory within the current incorporated
17 boundaries of the city that is vacant or undeveloped
18 land.

19 7. The committee shall utilize planning resources
20 that are available within the county, including city
21 and county planning commissions, zoning
22 administrators, and a council of governments
23 established pursuant to chapter 28H. The committee is
24 also encouraged to utilize the services of a joint
25 planning commission established pursuant to chapter
26 28I and colleges and universities in the state.

27 Sec. ____ . NEW SECTION. 366.5 LOCAL GOVERNMENT
28 RATIFICATION OF STRATEGIC DEVELOPMENT PLAN.

29 1. Before the committee submits the plan
30 recommended for ratification, the committee shall hold
31 at least one public hearing on the proposed
32 recommended strategic development plan. The county
33 auditor shall publish notice of the time, place, and
34 purpose of the public hearing in a newspaper of
35 general circulation in the county. The notice must be
36 published at least ten days but no more than twenty
37 days before the hearing.

38 2. Not later than January 1, 2004, the committee
39 shall submit the recommended strategic development
40 plan to the county board of supervisors and the city
41 council of each city in the county.

42 a. Not later than sixty days after receiving the
43 recommended strategic development plan, the county
44 board of supervisors and each city council shall by
45 resolution either ratify or reject the recommended
46 strategic development plan. A city or county that
47 fails to timely act on the resolution shall be deemed
48 to have ratified the recommended strategic development
49 plan on the last day of the sixty-day period. If the
50 strategic development plan is ratified, the committee

H-8442

H-8442

Page 7

1 shall submit the plan to the land management planning
2 board for approval.

3 b. If the county board of supervisors or a city
4 council rejects the recommended strategic development
5 plan submitted by the committee, the county or city
6 shall submit its objections to the plan along with the
7 notice of rejection. After receiving objections to
8 the plan, the committee may recommend a revised
9 strategic development plan no later than sixty days
10 after the recommended plan is rejected or may resubmit
11 the original plan. Before the committee submits the
12 revised plan recommended for ratification, the
13 committee shall hold at least one public hearing on
14 the revised plan in the manner provided in subsection
15 1. The committee shall submit any revised strategic
16 development plan to the county board of supervisors
17 and the city council of each city in the county for
18 ratification.

19 Not later than sixty days after receiving a revised
20 strategic development plan, the county board of
21 supervisors and each city council shall either ratify
22 or reject the revised strategic development plan in
23 the same manner as provided in paragraph "a". A city
24 or county that fails to timely act on a resolution
25 shall be deemed to have ratified the revised strategic
26 development plan on the last day of the sixty-day
27 period.

28 Sec. ____ . NEW SECTION. 366.6 DISPUTE RESOLUTION.

29 1. If a recommended strategic development plan and
30 a revised strategic development plan are rejected
31 pursuant to section 366.5, the committee shall submit
32 each of the rejected plans to the board for resolution
33 of the matter within ten days of rejection of the
34 revised plan. The board shall review the strategic
35 development plans submitted by the committee and may
36 adopt such amendments to a plan necessary for its
37 approval by the board.

38 2. Not later than October 1, 2004, the board shall
39 have approved strategic development plans submitted to
40 the board for dispute resolution. Such approval is
41 deemed to satisfy the approval requirement of section
42 366.7.

43 Sec. ____ . NEW SECTION. 366.7 PLAN SUBMITTED TO
44 BOARD FOR FINAL APPROVAL.

45 A strategic development plan ratified pursuant to
46 section 366.5 shall be submitted to the board for
47 approval within ten days of ratification of the plan.
48 If the board determines that a plan conforms with the
49 requirements of this chapter, the board shall approve
50 the plan. If the board determines that a plan does

H-8442

H-8442

Page 8

1 not so conform, the board shall adopt such amendments
2 to the plan necessary for its approval by the board.
3 The board shall have approved all plans by January 1,
4 2005.

5 Sec. ____ . NEW SECTION. 366.8 RECORDING OF
6 STRATEGIC DEVELOPMENT PLAN.

7 After the board has approved a strategic
8 development plan, the board shall retain a copy of the
9 plan on file and shall forward a copy to the county
10 auditor who shall record the plan in the office of
11 county recorder no later than five days after
12 receiving the plan from the board.

13 Sec. ____ . NEW SECTION. 366.9 DURATION OF PLANS
14 -- REVIEW AND AMENDMENT.

15 After a strategic development plan has been
16 recorded with the county recorder, the plan shall
17 remain in effect for not less than five years absent a
18 showing of extraordinary circumstances necessitating a
19 change in the plan. After expiration of the five-year
20 period, the county or a city in the county may propose
21 an amendment to the strategic development plan or may
22 propose a review of the plan by filing notice with the
23 county board of supervisors for the county and the
24 city council of each city in the county. Upon receipt
25 of such notice by the county and each city, the county
26 board of supervisors shall promptly reconvene the
27 local strategic planning committee. The burden of
28 proving the reasonableness of a proposed amendment to
29 the plan shall be upon the party proposing the
30 amendment. The procedures for amending the strategic
31 development plan shall be the same as the procedures
32 set forth in this chapter for creating the original
33 strategic development plan.

34 Sec. ____ . NEW SECTION. 366.10 JUDICIAL REVIEW.

35 1. The county, a city in the county, a resident of
36 the county, or an owner of real property located in
37 the county may seek judicial review of a decision of
38 the board relating to the strategic development plan
39 presented to the board for its approval. The judicial
40 review provisions of this section and chapter 17A
41 shall be the exclusive means by which a person or
42 party who is aggrieved or adversely affected by action
43 of the board may seek judicial review of the action of
44 the board or of a local government.

45 2. A petition for judicial review must be filed
46 within sixty days after the strategic development plan
47 is recorded with the county recorder. In accordance
48 with the Iowa rules of civil procedure pertaining to
49 service of process, copies of the petition shall be
50 served upon the board.

H-8442

-8-

H-8442

Page 9

1 3. The court's review is limited to questions
2 relating to jurisdiction, regularity of proceedings,
3 and whether the action of the board is, by a
4 preponderance of the evidence, arbitrary,
5 unreasonable, or without substantial supporting
6 evidence. The court may nullify an action of the
7 board and return the plan with appropriate directions
8 to the board.

9 4. The filing of a petition for judicial review
10 does not stay the effectiveness of the strategic
11 development plan or recognition of strategic
12 development areas and strategic preservation areas
13 identified in the plan. However, the court may order
14 a stay upon appropriate terms if it is shown to the
15 satisfaction of the court that any party or the public
16 at large is likely to suffer significant injury if a
17 stay is not granted. If more than one petition for
18 judicial review regarding a single board action is
19 filed, all such petitions shall be consolidated and
20 tried as a single civil action.

21 5. The following portions of section 17A.19 are
22 not applicable to this chapter:

23 a. The portion of subsection 2 relating to where
24 proceedings for judicial review shall be instituted.

25 b. Subsection 5.

26 c. Subsection 8.

27 d. Subsections 10 through 12.

28 Sec. ____ . NEW SECTION. 366.11 LOCAL
29 IMPLEMENTATION.

30 1. A city or county shall not adopt ordinances
31 regulating land development and management within its
32 territory that are inconsistent with the strategic
33 development plan governing the territory.

34 2. A strategic development plan approved pursuant
35 to this chapter shall be the basis for the
36 comprehensive plan of each county required pursuant to
37 section 335.5, if the county has adopted a zoning
38 ordinance, and for the comprehensive plan of each city
39 in the county required pursuant to section 414.3. The
40 county and each city shall amend its comprehensive
41 plan to conform to the strategic development plan.
42 After a strategic development plan is approved, all
43 land use decisions made by the governing body of each
44 city and county and the city's or county's planning
45 commission shall be consistent with the strategic
46 development plan.

47 3. A city or county is under no obligation to
48 provide municipal services for development that does
49 not conform to the applicable strategic development
50 plan.

H-8442

-9-

H-8442

Page 10

1 Sec. ____ . NEW SECTION. 414.32 REGULATORY
2 INCENTIVES.

3 Cities shall provide regulatory incentives,
4 including expedited permitting and waiver of permit
5 fees, for new development, expansion of existing
6 development, and redevelopment within all or part of
7 the incorporated boundaries of the city in areas
8 containing undeveloped or underdeveloped land or
9 buildings that are substandard, dilapidated, vacant,
10 abandoned, or functionally obsolete.

11 DIVISION IV
12 CITY DEVELOPMENT

13 Sec. ____ . Section 368.1, subsection 3, Code 2001,
14 is amended to read as follows:

15 3. "Board" means the city development land
16 management planning board established in section ~~368.9~~
17 6C.5.

18 Sec. ____ . NEW SECTION. 368.5A ANNEXATION
19 PROHIBITED -- STRATEGIC PRESERVATION AREAS.

20 Beginning January 1, 2005, only territory contained
21 in a strategic development area may be annexed. The
22 city council or land management planning board shall
23 not approve any application or petition that seeks to
24 annex territory contained in a strategic preservation
25 area.

26 Sec. ____ . Section 368.7A, subsection 1, Code 2001,
27 is amended to read as follows:

28 1. The board of supervisors of each affected
29 county shall notify the city development land
30 management planning board of the existence of that
31 portion of any secondary road which extends to the
32 center line but has not become part of the city by
33 annexation and has a common boundary with a city. The
34 notification shall include a legal description and a
35 map identifying the location of the secondary road.
36 The city development land management planning board
37 shall provide notice and an opportunity to be heard to
38 each city in or next to which the secondary road is
39 located. The city development land management
40 planning board shall certify that the notification is
41 correct and declare the road, or portion of the road
42 extending to the center line, annexed to the city as
43 of the date of certification. This section is not
44 intended to interfere with or modify existing chapter
45 28E agreements on jurisdictional transfer of roads, or
46 continuing negotiations between jurisdictions.

47 Sec. ____ . Section 368.11, Code Supplement 2001, is
48 amended by adding the following new unnumbered
49 paragraph before unnumbered paragraph 3:

50 NEW UNNUMBERED PARAGRAPH. Plans required by this

H-8442

-10-

H-8442

Page 11

1 section to be filed with a petition shall include
2 specific information pertaining to estimated costs of
3 implementing the plan, the time frame involved in
4 implementing the plan, and any other specific
5 information related to implementing the plan.

6 Sec. _____. Section 368.11, Code Supplement 2001, is
7 amended by adding the following new subsection:

8 NEW SUBSECTION. 14. A statement describing how
9 the boundary adjustment will conform to the strategic
10 development plan governing the territory.

11 Sec. _____. Sections 368.9 and 368.10, Code 2001,
12 are repealed.

DIVISION V

CORRESPONDING AMENDMENTS

15 Sec. _____. Section 15.108, subsection 3, paragraph
16 a, subparagraph (2), Code Supplement 2001, is amended
17 to read as follows:

18 (2) Provide office space and staff assistance to
19 the ~~city development~~ land management planning board as
20 provided in section ~~368.9~~ 6C.5.

21 Sec. _____. Section 331.304, subsection 7, Code
22 2001, is amended to read as follows:

23 7. The board may file a petition with the ~~city~~
24 ~~development~~ land management planning board as provided
25 in section 368.11.

26 Sec. _____. Section 331.321, subsection 1, paragraph
27 t, Code Supplement 2001, is amended to read as
28 follows:

29 t. Local representatives to serve with the ~~city~~
30 ~~development~~ land management planning board as provided
31 in section 368.14.

32 Sec. _____. Section 384.38, subsection 2, Code 2001,
33 is amended to read as follows:

34 2. Upon petition as provided in section 384.41,
35 subsection 1, a city may assess to private property
36 affected by public improvements within three miles of
37 the city's boundaries the cost of construction and
38 repair of public improvements within that area. The
39 right-of-way of a railway company shall not be
40 assessed unless the company joins as a petitioner for
41 ~~said~~ such improvements. In the petition the property
42 owners shall waive the limitation provided in section
43 384.62 that an assessment may not exceed twenty-five
44 percent of the value of the lot. The petition shall
45 contain a statement that the owners agree to pay the
46 city an amount equal to five percent of the cost of
47 the improvements, to cover administrative expenses
48 incurred by the city. This amount may be added to the
49 cost of the improvements. Before the council may
50 adopt the resolution of necessity, the preliminary

H-8442

-11-

H-8442

Page 12

1 resolution, preliminary plans and specifications,
 2 plat, schedule, and estimate of cost must be submitted
 3 to, and receive written approval from, the board of
 4 supervisors of any county which contains part of the
 5 property, and the ~~city development~~ land management
 6 planning board established in section ~~368.9~~ 6C.5.

7 Sec. ____ . LAND MANAGEMENT PLANNING BOARD
 8 TRANSITION. Terms of current city development board
 9 members shall continue until their expiration.

10 Sec. ____ . IMPLEMENTATION OF ACT. Section 25B.2,
 11 subsection 3, shall not apply to this Act.

12 Sec. ____ . EFFECTIVE DATES.

13 1. The sections of this Act amending section 298.3
 14 take effect July 1, 2002.

15 2. The sections of this Act enacting section
 16 368.5A and amending section 368.11 take effect January
 17 1, 2005.

18 3. The remainder of this Act takes effect May 1,
 19 2002."

20 3. Title page, line 1, by inserting after the
 21 word "to" the following: "real and personal property
 22 by providing for".

23 4. Title page, line 2, by inserting after the
 24 word "purposes" the following: "and by providing a
 25 method for state and local land management and
 26 planning, and providing effective dates".

27 5. By renumbering as necessary.

By FALLON of Polk

H-8442 FILED MARCH 26, 2002

w/d

3/28/02

SENATE FILE 2228**H-8445**

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:
3 1. Page 4, by striking line 34 and inserting the
4 following: "other purposes, including infrastructure,
5 according to a".
6 2. Page 4, line 35, by inserting after the word
7 "directors." the following: "The plan developed may
8 provide for the use of moneys received for any
9 purpose, including infrastructure purposes."
10 3. Page 4, line 36, by striking the word
11 "infrastructure".
12 4. Page 5, line 4, by striking the word
13 "infrastructure".
14 5. Page 5, line 22, by striking the word
15 "infrastructure".
16 6. Page 5, by striking line 26 and inserting the
17 following: "for the purposes specified in the
18 approved".
19 7. Page 6, line 21, by striking the word
20 "infrastructure".
21 8. Page 6, line 32, by striking the word
22 "infrastructure".
23 9. Page 6, by striking lines 41 and 42 and
24 inserting the following: "utilized solely for the
25 purposes specified in the approved plan."
26 10. Page 7, line 7, by striking the word
27 "infrastructure".
28 11. Page 13, line 3, by inserting before the word
29 "infrastructure" the following: "other specified
30 purposes, including".

By WISE of Lee
MASCHER of Johnson

H-8445 FILED MARCH 27, 2002

o/o
2/28/02
(p.1080)

SENATE FILE 2228

H-8446

1 Amend Senate File 2228, as passed by the Senate, as
2 follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1. Section 296.7, subsection 3, Code
6 2001, is amended to read as follows:

7 3. A Except as provided in section 298.4, a school
8 district, providing an insurance program as described
9 in subsection 2, shall not contract indebtedness and
10 issue general obligation bonds or enter into insurance
11 agreements obligating the school district to make
12 payments beyond its current budget year for that
13 employee benefit plan. A school district may,
14 however, apply to the school budget review committee
15 for relief if necessitated by the expenses in the
16 school district's insurance program as described in
17 subsection 2."

18 2. Page 1, by inserting after line 12 the
19 following:

20 "Sec. ____ Section 298.4, Code 2001, is amended by
21 adding the following new subsection:

22 NEW SUBSECTION. 6. To pay the cost of employee
23 health benefits. For the purposes of this subsection,
24 employee health benefits shall refer to costs for
25 hospital and surgical, medical expense, major medical,
26 dental, pharmacist services, and prescription drug
27 benefits."

28 3. Title page, line 2, by striking the word
29 "purposes" and inserting the following: "and
30 management levy purposes, and relating to the purposes
31 for which management levy revenue may be utilized".

32 4. By renumbering as necessary.

By OSTERHAUS of Jackson

H-8446 FILED MARCH 27, 2002

W/O
3/28/02
(P.1081)

SENATE FILE 2228

H-8452

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 3, by inserting after line 48 the
4 following:

5 "3A. Notwithstanding any provision to the contrary
6 in making the calculations of the amount each school
7 district shall receive, a school district shall not be
8 included if it is located in whole or in part in a
9 county that has voted not to be subject to the
10 additional one cent state sales tax as follows:

11 a. A county in which its school districts are
12 receiving moneys or were eligible to receive moneys
13 under subsection 1, paragraph "a", shall hold an
14 election within four months, as set by the board,
15 prior to the end of the original ten-year period or
16 the date listed on the original ballot proposition,
17 whichever is the earlier, as provided in chapter 422E,
18 on the question of the county being exempt from the
19 additional one cent state sales tax. If a majority of
20 those voting on the question favor the exemption, the
21 county shall be exempt from the additional one cent
22 sales tax beginning with the first fiscal year
23 following the favorable election.

24 b. A county not described in paragraph "a" shall
25 hold an election between September 1, 2012, and
26 January 1, 2013, on the question of the county being
27 exempt from the additional one cent state sales tax.
28 If a majority of those voting on the question favor
29 the exemption, the county shall be exempt from the
30 additional one cent sales tax beginning with the first
31 fiscal year following the favorable election."

32 2. Page 11, by inserting after line 6 the
33 following:

34 "Sec. ____ . Section 422.45, Code Supplement 2001,
35 is amended by adding the following new subsection:

36 NEW SUBSECTION. 63. a. Subject to paragraph "b",
37 the gross receipts from sales made or services
38 rendered, furnished, or performed in a county that has
39 voted to be exempt from the additional one cent state
40 sales tax as provided in section 298B.1, subsection
41 3A.

42 b. The exemption in this subsection only applies
43 to the one percent increase in the sales tax rate as
44 increased in this Act.

45 c. This subsection is repealed July 1, 2022."

By HUSER of Polk

VAN FOSSEN of Scott

H-8452 FILED MARCH 27, 2002

o/o

3/28/02

SENATE FILE 2228

H-8453

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 1, line 14, by inserting after the word
4 "fund" the following: "shall be transferred as
5 provided in subsection 3A and after such transfer the
6 remaining moneys".

7 2. Page 3, by inserting after line 48 the
8 following:

9 "3A. There shall be transferred from the moneys
10 credited in a fiscal year to the school district sales
11 tax fund to the general fund of the state the amount,
12 as estimated by the legislative fiscal bureau, of lost
13 revenue to the general fund of the state for that
14 fiscal year as a result of the exemption of pensions
15 and retirement income from the individual income tax
16 as provided in section 220 of this Act. Transfers
17 under this subsection shall be made quarterly."

18 3. Page 7, by inserting after line 37 the
19 following:

20 "Sec. 220. Section 422.7, subsection 31, Code
21 Supplement 2001, is amended to read as follows:

22 31. For a person who is disabled, or is fifty-five
23 years of age or older, or is the surviving spouse of
24 an individual or a survivor having an insurable
25 interest in an individual who would have qualified for
26 the exemption under this subsection for the tax year,
27 subtract, to the extent included, the total amount of
28 a governmental or other pension or retirement pay,
29 including, but not limited to, defined benefit or
30 defined contribution plans, annuities, individual
31 retirement accounts, plans maintained or contributed
32 to by an employer, or maintained or contributed to by
33 a self-employed person as an employer, and deferred
34 compensation plans or any earnings attributable to the
35 deferred compensation plans, ~~up to a maximum of six~~
36 ~~thousand dollars for a person, other than a husband or~~
37 ~~wife, who files a separate state income tax return and~~
38 ~~up to a maximum of twelve thousand dollars for a~~
39 ~~husband and wife who file a joint state income tax~~
40 ~~return.~~ However, a surviving spouse who is not
41 disabled or fifty-five years of age or older can only
42 exclude the amount of pension or retirement pay
43 received as a result of the death of the other spouse.
44 ~~A husband and wife filing separate state income tax~~
45 ~~returns or separately on a combined state return are~~
46 ~~allowed a combined maximum exclusion under this~~
47 ~~subsection of up to twelve thousand dollars. The~~
48 ~~twelve thousand dollar exclusion shall be allocated to~~
49 ~~the husband or wife in the proportion that each~~
50 ~~spouse's respective pension and retirement pay~~

H-8453

H-8453

Page 2

1 ~~received bears to total combined pension and~~
 2 ~~retirement pay received."~~

3 4. Page 12, by inserting after line 49 the
 4 following:

5 "3. Section 220 of this Act, amending section
 6 422.7, subsection 31, takes effect January 1, 2003,
 7 for tax years beginning on or after that date."

8 5. Page 13, line 4, by inserting after the word
 9 "electorate," the following: "exempting pensions and
 10 retirement income from the individual income tax,".

By VAN FOSSEN of Scott	MILLAGE of Scott
SIEVERS of Scott	HOVERSTEN of Woodbury
SHEY of Linn	HUSER of Polk
SUKUP of Franklin	CHIODO of Polk

H-8453 FILED MARCH 27, 2002

o/o
3/28/02

SENATE FILE 2228**H-8454**

1 Amend the amendment, H-8422, to Senate File 2228,
 2 as passed by the Senate, as follows:

3 1. Page 5, line 6, by striking the words "a
 4 majority" and inserting the following: "at least
 5 sixty percent".

6 2. Page 5, line 11, by striking the words "a
 7 majority" and inserting the following: "at least
 8 sixty percent".

9 3. Page 5, line 12, by striking the words "a
 10 majority" and inserting the following: "at least
 11 sixty percent".

12 4. Page 6, line 23, by striking the word
 13 "majority" and inserting the following: "sixty
 14 percent".

By VAN FOSSEN of Scott	MILLAGE of Scott
SHEY of Linn	HOVERSTEN of Woodbury
SIEVERS of Scott	HUSER of Polk
BOAL of Polk	CHIODO of Polk
SUKUP of Franklin	

H-8454 FILED MARCH 27, 2002

o

SENATE FILE 2228

H-8455

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 1, by inserting after line 2 the
4 following:

5 "____. Page 1, by inserting before line 1 the
6 following:

7 "Sec. ____ Section 8.57, subsection 5, paragraph
8 c, Code Supplement 2001, is amended to read as
9 follows:

10 c. Moneys in the fund in a fiscal year shall be
11 used as directed by the general assembly for public
12 vertical infrastructure projects and for the student
13 achievement and teacher quality program established in
14 chapter 284. For the purposes of this subsection,
15 "vertical infrastructure" includes only land
16 acquisition and construction, major renovation and
17 major repair of buildings, all appurtenant structures,
18 utilities, site development, and recreational trails.
19 "Vertical infrastructure" does not include routine,
20 recurring maintenance or operational expenses or
21 leasing of a building, appurtenant structure, or
22 utility without a lease-purchase agreement. ~~However,~~
23 ~~appropriations may be made for the fiscal years~~
24 ~~beginning July 1, 1997, and July 1, 1998, for the~~
25 ~~purpose of funding the completion of Part III of the~~
26 ~~Iowa communications network."~~

27 2. Page 13, line 4, by inserting after the word
28 "electorate," the following: "utilization of rebuild
29 Iowa infrastructure fund for purposes of teacher
30 pay,".

By VAN FOSSEN of Scott
SHEY of Linn
HOVERSTEN of Woodbury

HUSER of Polk
CHIODO of Polk

H-8455 FILED MARCH 27, 2002

2/6
2/28/02
(P. 1080)

SENATE FILE 2228

H-8456

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 1, by inserting after line 2 the
4 following:

5 "____. Page 1, by inserting before line 1 the
6 following:

7 "Section 1. Section 257.8, subsection 1, Code
8 Supplement 2001, is amended to read as follows:

9 1. STATE PERCENT OF GROWTH. The state percent of
10 growth for the budget year beginning July 1, 2001, is
11 four percent. The state percent of growth for the
12 budget year beginning July 1, 2002, is four percent.
13 The state percent of growth for each budget year in
14 the period beginning July 1, 2003, and ending June 30,
15 2013, is four percent. The state percent of growth
16 for each subsequent budget year shall be established
17 by statute which shall be enacted within thirty days
18 of the submission in the year preceding the base year
19 of the governor's budget under section 8.21. The
20 establishment of the state percent of growth for a
21 budget year shall be the only subject matter of the
22 bill which enacts the state percent of growth for a
23 budget year.""

24 2. Page 1, line 14, by inserting after the word
25 "fund" the following: "shall be transferred as
26 provided in subsection 3A and after such transfer the
27 remaining moneys".

28 3. Page 3, by inserting after line 48 the
29 following:

30 "3A. There shall be transferred from the moneys
31 credited in a fiscal year to the school district sales
32 tax fund to the general fund of the state the amount,
33 as estimated by the legislative fiscal bureau, of the
34 cost to the general fund of the state for that fiscal
35 year of the state percent of growth for school aid
36 purposes being set at four percent as provided in
37 section 1 of this Act. Transfers under this
38 subsection shall be made quarterly."

39 4. Page 13, line 4, by inserting after the word
40 "electorate," the following: "establishing the state
41 percent of growth for state school aid purposes,".

By VAN FOSSEN of Scott
SHEY of Linn

HOVERSTEN of Woodbury
HUSER of Polk

H-8456 FILED MARCH 27, 2002

0/0
3/28/02
(P.1080)

SENATE FILE 2228

H-8457

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 1, line 14, by inserting after the word
4 "fund" the following: "shall be transferred as
5 provided in subsection 3A and after such transfer the
6 remaining moneys".

7 2. Page 3, by inserting after line 48 the
8 following:

9 "3A. There shall be transferred from the moneys
10 credited in a fiscal year to the school district sales
11 tax fund to the general fund of the state the amount,
12 as estimated by the legislative fiscal bureau, of lost
13 revenue to the general fund of the state for that
14 fiscal year as a result of the phaseout of the
15 insurance premiums tax as provided in sections 230,
16 231, 232, and 233 of this Act. Transfers under this
17 subsection shall be made quarterly."

18 3. Page 7, by inserting after line 37 the
19 following:

20 "Sec. 230. Section 432.1, subsection 1, paragraph
21 a, Code 2001, is amended to read as follows:

22 a. ~~Two percent~~ The applicable percent, as provided
23 in subsection 2A, of the gross amount of premiums
24 received during the preceding calendar year by every
25 life insurance company or association, not including
26 fraternal beneficiary associations, or the gross
27 payments or deposits collected from holders of
28 fraternal beneficiary association certificates, on
29 contracts of insurance covering risks resident in this
30 state during the preceding year, including contracts
31 for group insurance and annuities and without
32 including or deducting any amounts received or paid
33 for reinsurance.

34 Sec. 231. Section 432.1, subsection 2, Code 2001,
35 is amended to read as follows:

36 2. ~~Two percent~~ The applicable percent, as provided
37 in subsection 2A, of the gross amount of premiums,
38 assessments, and fees received during the preceding
39 calendar year by every company or association other
40 than life on contracts of insurance other than life
41 for business done in this state, including all
42 insurance upon property situated in this state, after
43 deducting the amounts returned upon canceled policies,
44 certificates and rejected applications but not
45 including the gross premiums, assessments and fees in
46 connection with ocean marine insurance authorized in
47 section 515.48.

48 Sec. 232. Section 432.1, Code 2001, is amended by
49 adding the following new subsection:

50 NEW SUBSECTION. 2A. The "applicable percent" for

H-8457

H-8457

Page 2

1 purposes of subsections 1 and 2 and section 432.2 is
2 the following:

3 a. For calendar years beginning before the 2003
4 calendar year, two percent.

5 b. For the 2003 calendar year, one and one-half
6 percent.

7 c. For the 2004 calendar year, one percent.

8 d. For the 2005 calendar year, one-half of one
9 percent.

10 e. For the 2006 and subsequent calendar years,
11 zero percent.

12 Sec. 233. Section 432.2, Code 2001, is amended to
13 read as follows:

14 432.2 MUTUAL SERVICE CORPORATIONS.

15 Notwithstanding section 432.1, a hospital service
16 corporation, medical service corporation,
17 pharmaceutical service corporation, optometric service
18 corporation and any other service corporation
19 operating under chapter 514 shall pay as taxes to the
20 director of revenue and finance an amount equal to ~~two~~
21 ~~percent~~ the applicable percent, as provided in section
22 432.1, subsection 2A, of the gross amount of payments
23 received during the preceding calendar year for
24 subscriber contracts covering residents in this state
25 after deducting the amounts returned to subscribers
26 upon canceled subscriber contracts and rejected
27 applications. Section 432.1, subsections 3 and 4,
28 apply to the tax imposed by this section."

29 4. Page 13, line 4, by inserting after the word
30 "electorate," the following: "phasing out the
31 insurance premiums tax,".

By VAN FOSSEN of Scott
SHEY of Linn

HOVERSTEN of Woodbury
CHIODO of Polk

H-8457 FILED MARCH 27, 2002

0/0
3/28/02
(P.1081)

SENATE FILE 2228

H-8458

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 1, line 14, by inserting after the word
4 "fund" the following: "shall be transferred as
5 provided in subsection 3A and after such transfer the
6 remaining moneys".

7 2. Page 3, by inserting after line 48 the
8 following:

9 "3A. There shall be transferred from the moneys
10 credited in a fiscal year to the school district sales
11 tax fund to the general fund of the state the amount,
12 as estimated by the legislative fiscal bureau, of lost
13 revenue to the general fund of the state for that
14 fiscal year as a result of the five percent reduction
15 in the individual income tax rates provided in section
16 200 of this Act. Transfers under this subsection
17 shall be made quarterly."

18 3. Page 7, by inserting after line 37 the
19 following:

20 "Sec. 200. Section 422.5, subsection 1, paragraphs
21 a through i, Code 2001, are amended to read as
22 follows:

23 a. On all taxable income from zero through one
24 thousand dollars, ~~thirty-six~~ thirty-four hundredths of
25 one percent.

26 b. On all taxable income exceeding one thousand
27 dollars but not exceeding two thousand dollars,
28 ~~seventy-two~~ sixty-eight hundredths of one percent.

29 c. On all taxable income exceeding two thousand
30 dollars but not exceeding four thousand dollars, two
31 and ~~forty-three~~ thirty-one hundredths percent.

32 d. On all taxable income exceeding four thousand
33 dollars but not exceeding nine thousand dollars, four
34 and ~~one-half~~ twenty-eight hundredths percent.

35 e. On all taxable income exceeding nine thousand
36 dollars but not exceeding fifteen thousand dollars,
37 ~~six~~ five and ~~twelve~~ eighty-one hundredths percent.

38 f. On all taxable income exceeding fifteen
39 thousand dollars but not exceeding twenty thousand
40 dollars, six and ~~forty-eight~~ sixteen hundredths
41 percent.

42 g. On all taxable income exceeding twenty thousand
43 dollars but not exceeding thirty thousand dollars, six
44 and ~~eight-tenths~~ forty-six hundredths percent.

45 h. On all taxable income exceeding thirty thousand
46 dollars but not exceeding forty-five thousand dollars,
47 seven and ~~ninety-two~~ fifty-two hundredths percent.

48 i. On all taxable income exceeding forty-five
49 thousand dollars, eight and ~~ninety-eight~~ fifty-three
50 hundredths percent."

H-8458

H-8458

Page 2

1 4. Page 12, by inserting after line 49 the
2 following:

3 "3. Section 200 of this Act, amending section
4 422.5, takes effect January 1, 2003, for tax years
5 beginning on or after that date."

6 5. Page 13, line 4, by inserting after the word
7 "electorate," the following: "reducing the individual
8 income tax rates,".

By VAN FOSSEN of Scott
SHEY of Linn
MILLAGE of Scott

HOVERSTEN of Woodbury
CHIODO of Polk

H-8458 FILED MARCH 27, 2002

0/0
3/28/02

SENATE FILE 2228**H-8459**

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 1, line 14, by inserting after the word
4 "fund" the following: "shall be transferred as
5 provided in subsection 3A and after such transfer the
6 remaining moneys".

7 2. Page 3, by inserting after line 48 the
8 following:

9 "3A. There shall be transferred from the moneys
10 credited in a fiscal year to the school district sales
11 tax fund to the general fund of the state the amount,
12 as estimated by the legislative fiscal bureau, of lost
13 revenue to the general fund of the state for that
14 fiscal year as a result of the exemption from the
15 individual income tax of social security benefits as
16 provided in section 210 of this Act. Transfers under
17 this subsection shall be made quarterly."

18 3. Page 7, by inserting after line 37 the
19 following:

20 "Sec. 210. Section 422.7, subsection 13, Code
21 Supplement 2001, is amended to read as follows:

22 13. Subtract, to the extent included, the amount
23 of additional social security benefits taxable under
24 the Internal Revenue Code for tax years beginning on
25 or after January 1, 1994, but before January 1, 2003.
26 The amount of social security benefits taxable as
27 provided in section 86 of the Internal Revenue Code,
28 as amended up to and including January 1, 1993,
29 continues to apply for state income tax purposes for
30 tax years beginning on or after January 1, 1994, but
31 before January 1, 2003. Married taxpayers, who file a
32 joint federal income tax return and who elect to file
33 separate returns or who elect separate filing on a
34 combined return for state income tax purposes, shall
35 allocate between the spouses the amount of benefits
36 subtracted from net income in the ratio of the social
37 security benefits received by each spouse to the total
38 of these benefits received by both spouses.

39 Subtract, to the extent included, the amount of
40 social security benefits taxable under the Internal
41 Revenue Code for tax years beginning on or after
42 January 1, 2003."

43 4. Page 12, by inserting after line 49 the
44 following:

45 "3. Section 210 of this Act, amending section
46 422.7, subsection 13, takes effect January 1, 2003,
47 for tax years beginning on or after that date."

48 5. Page 13, line 4, by inserting after the word
49 "electorate," the following: "exempting social
50 security benefits from the individual income tax,".

By VAN FOSSEN of Scott
SHEY of Linn
SIEVERS of Scott
SUKUP of Franklin

MILLAGE of Scott
HOVERSTEN of Woodbury
HUSER of Polk
CHIODO of Polk

H-8459 FILED MARCH 27, 2002

o/o 3/28/02

SENATE FILE 2228

H-8460

1 Amend amendment, H-8422, to Senate File 2228, as
2 passed by the Senate, as follows:

3 1. Page 1, line 14, by inserting after the word
4 "fund" the following: "shall be transferred as
5 provided in subsection 3A and after such transfer the
6 remaining moneys".

7 2. Page 3, by inserting after line 48, the
8 following:

9 "3A. There shall be transferred from the moneys
10 credited in a fiscal year to the school district sales
11 tax fund to the general fund of the state the amount
12 appropriated from the general fund of the state for
13 that fiscal year to purchase motor vehicles for
14 additional state troopers."

15 3. Page 13, line 4, by inserting after the word
16 "electorate," the following: "reimbursing the general
17 fund of the state for the purchase of state trooper
18 motor vehicles,".

By VAN FOSSEN of Scott

H-8460 FILED MARCH 27, 2002

*o/o
3/28/02*

SENATE FILE 2228

H-8461

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 1, line 14, by inserting after the word
4 "fund" the following: "shall be transferred as
5 provided in subsection 3A and after such transfer the
6 remaining moneys".

7 2. Page 3, by inserting after line 48 the
8 following:

9 "3A. There shall be transferred from the moneys
10 credited in a fiscal year to the school district sales
11 tax fund to the Iowa economic emergency fund an amount
12 sufficient to increase the balance in the Iowa
13 economic emergency fund to the maximum balance allowed
14 under section 8.55, subsection 2. The determination
15 of the amount necessary to increase the balance in the
16 Iowa economic emergency fund shall be determined after
17 the distribution of any surplus in the general fund of
18 the state at the conclusion of the fiscal year.
19 Transfers under this subsection shall be made
20 quarterly."

21 3. Page 13, line 4, by inserting after the word
22 "electorate," the following: "increasing the balance
23 in the Iowa economic emergency fund,".

By VAN FOSSEN of Scott HUSER of Polk
SHEY of Linn CHIODO of Polk
HOVERSTEN of Woodbury

H-8461 FILED MARCH 27, 2002

o/o
3/28/02

SENATE FILE 2228

H-8462

1 Amend amendment, H-8422, to Senate File 2228, as
2 passed by the Senate, as follows:

3 1. By striking everything after the amending
4 clause and inserting the following:

5 "____. Page 1, by inserting before line 1 the
6 following:

7 "Section 1. Section 23A.2, subsection 10,
8 paragraph h, Code Supplement 2001, is amended to read
9 as follows:

10 h. The performance of an activity listed in
11 section 331.424, Code 2001, as a service for which a
12 supplemental levy ~~may~~ was allowed to be certified.

13 Sec. 102. NEW SECTION. 28L.1 IOWA COMMISSION ON
14 STATE AND LOCAL TAXATION.

15 1. An Iowa commission on state and local taxation
16 is created which shall consist of thirteen members
17 appointed as follows:

18 a. Three senators appointed by the majority leader
19 of the senate, one of whom shall be nominated by the
20 minority leader of the senate. Two of the appointees
21 shall be residents of a county with a population of
22 less than forty thousand.

23 b. Three representatives appointed by the speaker
24 of the house, one of whom shall be nominated by the
25 minority leader of the house. Two of the appointees
26 shall be residents of a county with a population of
27 less than forty thousand.

28 c. One member appointed by the Iowa state
29 association of counties.

30 d. One member appointed by the Iowa league of
31 cities.

32 e. One member appointed by the Iowa association of
33 school boards.

34 f. One member from an organization representing
35 agricultural interests appointed jointly by the
36 majority leader of the senate and the speaker of the
37 house.

38 g. One member from an organization representing
39 taxpayers and appointed jointly by the majority leader
40 of the senate and the speaker of the house.

41 h. One member from an organization representing
42 business taxpayers and appointed jointly by the
43 majority leader of the senate and the speaker of the
44 house.

45 i. One member representing small business owners
46 appointed jointly by the majority leader of the senate
47 and the speaker of the house.

48 2. In making all appointments, consideration shall
49 be given to gender, race, or ethnic representation,
50 population and demographic factors, and representation

H-8462

H-8462

Page 2

1 of different geographic regions. Appointments made
2 under subsection 1, paragraphs "c" through "e", are
3 not subject to section 69.16 or 69.16A.

4 3. Members of the commission shall hold office for
5 four years beginning June 1 of the year of appointment
6 and until their successors are appointed, except that
7 three initial appointees shall be appointed for one
8 year, three initial appointees for two years, four
9 initial appointees for three years, and three initial
10 appointees for four years. The commission shall
11 conduct its organizational meeting no later than
12 September 1, 2001, and at that meeting shall elect a
13 chairperson to serve until May 2002.

14 4. Legislative members of the commission are
15 eligible for per diem and expenses as provided in
16 section 2.10. Other members of the commission shall
17 be reimbursed for actual and necessary expenses
18 incurred in performance of their duties. Members may
19 also be eligible to receive compensation as provided
20 in section 7E.6.

21 5. A majority of the commission members shall
22 constitute a quorum. For the purpose of conducting
23 business, a majority vote of the commission shall be
24 required. Beginning in May 2002, the commission shall
25 meet in May of each year for the purpose of electing
26 one of its members as chairperson. The commission
27 shall meet quarterly and at other times as necessary
28 at the call of the chairperson or when any five
29 members of the commission file a written request with
30 the chairperson for a meeting. Written notice of the
31 time and place of each meeting shall be given to each
32 member of the commission.

33 6. The commission may establish committees, as it
34 deems advisable and feasible, whose membership shall
35 include at least two members of the commission, but
36 only the commission may take final action on a
37 proposal or recommendation of a committee.

38 7. Any vacancy shall be filled in the same manner
39 as regular appointments are made for the unexpired
40 portion of the regular term. A member of the
41 commission may be removed for any of the causes and in
42 the manner provided in chapter 66.

43 Sec. 103. NEW SECTION. 28L.2 STAFF AND
44 FACILITIES.

45 The commission and committees established by the
46 commission may accept technical and operational
47 assistance from the staff of the legislative service
48 bureau and the legislative fiscal bureau, other state
49 or federal agencies, units of local governments, or
50 any other public or private source. The directors of

H-8462

H-8462

Page 3

1 the legislative service bureau and the legislative
2 fiscal bureau may assign professional, technical,
3 legal, clerical, or other staff, as necessary and
4 authorized by the legislative council for continued
5 operation of the commission. However, technical and
6 operational assistance provided by the bureaus shall
7 be provided within existing appropriations made to or
8 with existing resources of the legislative service
9 bureau and legislative fiscal bureau. The legislative
10 council may also provide to the commission available
11 facilities and equipment as requested by the
12 commission. The legislative council shall provide
13 funding for consulting services should the commission
14 deem it appropriate.

15 Sec. 104. NEW SECTION. 28L.3 REVIEW OF STATE AND
16 LOCAL REVENUE AND SERVICES.

17 1. The commission shall conduct a review of the
18 following:

19 a. Revenue sources available to local governments,
20 including taxes, fees, state appropriations, and
21 federal moneys.

22 b. Revenue sources available to the state,
23 including taxes, fees, and federal moneys, and the
24 portion of state revenues annually appropriated, or
25 otherwise disbursed, to local governments.

26 c. Services provided by local governments,
27 including those provided at the discretion of a local
28 government and those mandated by federal or state
29 statutes and regulations.

30 2. In conducting its review of revenue sources,
31 the commission shall study state and local taxes from
32 the standpoint of equity, neutrality, competitiveness,
33 simplicity, and stability.

34 3. The commission shall hold public hearings to
35 allow persons and organizations to be heard.

36 4. The commission shall submit a report to the
37 general assembly on the status of the review no later
38 than March 15, 2003. The status report shall
39 summarize the commission's activities to date and may
40 include such other information that the commission
41 deems relevant and necessary.

42 5. a. The commission shall submit a final report
43 to the general assembly no later than January 15,
44 2006.

45 b. The final report shall include the following:

46 (1) A statement of goals that the commission
47 believes are necessary to achieve principles of
48 taxation agreed upon by the committee.

49 (2) Any strategies formulated by the commission
50 that consist of recommended methods of state and local

H-8462

H-8462

Page 4

1 taxation, specific structural changes, and any
2 modifications to the current system of state and local
3 taxation.

4 (3) Such other information that the commission
5 deems relevant and necessary.

6 6. This section shall not be construed to preclude
7 the enactment of legislation that eliminates or
8 reduces any state or local government tax during the
9 period the Iowa commission on state and local taxation
10 is conducting the review required by this section.

11 Sec. 105. NEW SECTION. 28L.4 DUTIES OF THE
12 COMMISSION.

13 The commission shall:

14 1. Conduct the review as required in section
15 28L.3.

16 2. Monitor legislative or administrative action on
17 recommendations in the report required in section
18 28L.3.

19 3. Annually report on the state of local
20 governments in Iowa.

21 4. Annually report on state and federal issues
22 relating to local government that have a potential
23 fiscal impact on local governments.

24 5. Annually report on court decisions having an
25 impact on state and local government revenue or
26 services.

27 6. The reports in subsections 3, 4, and 5 shall be
28 filed with the governor, president of the senate,
29 speaker of the house, and the majority and minority
30 leaders of each house, and shall be made available to
31 legislators and the public upon request. The reports
32 must be submitted no later than January 15 of each
33 year.

34 Sec. 106. NEW SECTION. 28L.5 INFORMATION.

35 The commission may request from any state agency or
36 official the information and assistance as needed to
37 perform the duties of the commission. A state agency
38 or official shall furnish the information or
39 assistance requested within the authority and
40 resources of the state agency or official. This
41 section does not allow the examination or copying of
42 any public record which is required by law to be kept
43 confidential.

44 Sec. 107. NEW SECTION. 28L.6 FUTURE REPEAL.

45 This chapter is repealed effective July 1, 2006.

46 Sec. 108. Section 123.38, unnumbered paragraph 2,
47 Code 2001, is amended to read as follows:

48 Any licensee or permittee, or the licensee's or
49 permittee's executor or administrator, or any person
50 duly appointed by the court to take charge of and

H-8462

H-8462

Page 5

1 administer the property or assets of the licensee or
2 permittee for the benefit of the licensee's or
3 permittee's creditors, may voluntarily surrender a
4 license or permit to the division. When a license or
5 permit is surrendered the division shall notify the
6 local authority, and the division or the local
7 authority shall refund to the person surrendering the
8 license or permit, a proportionate amount of the fee
9 received by the division or the local authority for
10 the license or permit as follows: if a license or
11 permit is surrendered during the first three months of
12 the period for which it was issued, the refund shall
13 be three-fourths of the amount of the fee; if
14 surrendered more than three months but not more than
15 six months after issuance, the refund shall be one-
16 half of the amount of the fee; if surrendered more
17 than six months but not more than nine months after
18 issuance, the refund shall be one-fourth of the amount
19 of the fee. No refund shall be made, however, for any
20 special liquor permit, nor for a liquor control
21 license, wine permit, or beer permit surrendered more
22 than nine months after issuance. For purposes of this
23 paragraph, any portion of license or permit fees used
24 for the purposes authorized in section ~~331.424,~~
25 ~~subsection 1, paragraphs "a" and "b", and in section~~
26 ~~331.424A,~~ shall not be deemed received either by the
27 division or by a local authority. No refund shall be
28 made to any licensee or permittee, upon the surrender
29 of the license or permit, if there is at the time of
30 surrender, a complaint filed with the division or
31 local authority, charging the licensee or permittee
32 with a violation of this chapter. If upon a hearing
33 on a complaint the license or permit is not revoked or
34 suspended, then the licensee or permittee is eligible,
35 upon surrender of the license or permit, to receive a
36 refund as provided in this section; but if the license
37 or permit is revoked or suspended upon hearing the
38 licensee or permittee is not eligible for the refund
39 of any portion of the license or permit fee.

40 Sec. 109. Section 218.99, Code 2001, is amended to
41 read as follows:

42 218.99 COUNTIES TO BE NOTIFIED OF PATIENTS'
43 PERSONAL ACCOUNTS.

44 The administrator in control of a state institution
45 shall direct the business manager of each institution
46 under the administrator's jurisdiction ~~which is~~
47 ~~mentioned in section 331.424, subsection 1, paragraphs~~
48 ~~"a" and "b", and for which services are paid under~~
49 section 331.424A, to quarterly inform the county of
50 legal settlement's entity designated to perform the

H-8462

H-8462

Page 6

1 county's single entry point process of any patient or
2 resident who has an amount in excess of two hundred
3 dollars on account in the patients' personal deposit
4 fund and the amount on deposit. The administrators
5 shall direct the business manager to further notify
6 the entity designated to perform the county's single
7 entry point process at least fifteen days before the
8 release of funds in excess of two hundred dollars or
9 upon the death of the patient or resident. If the
10 patient or resident has no county of legal settlement,
11 notice shall be made to the director of human services
12 and the administrator in control of the institution
13 involved."

14 _____. Page 1, by inserting before line 13 the
15 following:

16 "Sec. 110. Section 331.301, subsection 12, Code
17 Supplement 2001, is amended to read as follows:

18 12. The board of supervisors may credit funds to a
19 reserve for the purposes authorized by subsection 11
20 of this section; ~~section 331.424, subsection 1,~~
21 ~~paragraph "f";~~ and section 331.441, subsection 2,
22 paragraph "b". Moneys credited to the reserve, and
23 interest earned on such moneys, shall remain in the
24 reserve until expended for purposes authorized by
25 subsection 11 of this section; ~~section 331.424,~~
26 ~~subsection 1, paragraph "f";~~ or section 331.441,
27 subsection 2, paragraph "b".

28 Sec. 111. Section 331.325, Code 2001, is amended
29 to read as follows:

30 331.325 CONTROL AND MAINTENANCE OF PIONEER
31 CEMETERIES -- CEMETERY COMMISSION.

32 1. As used in this section, "pioneer cemetery"
33 means a cemetery where there have been six or fewer
34 burials in the preceding fifty years.

35 2. Each county board of supervisors may adopt an
36 ordinance assuming jurisdiction and control of pioneer
37 cemeteries in the county. The board shall exercise
38 the powers and duties of township trustees relating to
39 the maintenance and repair of cemeteries in the county
40 as provided in sections 359.28 through 359.41 except
41 that the board shall not certify a tax levy pursuant
42 to section 359.30 or 359.33 and except that the
43 maintenance and repair of all cemeteries under the
44 jurisdiction of the county including pioneer
45 cemeteries shall be paid from the ~~county general~~
46 cemetary fund. The maintenance and improvement
47 program for a pioneer cemetery may include restoration
48 and management of native prairie grasses and
49 wildflowers.

50 3. In lieu of management of the cemeteries, the

H-8462

H-8462

Page 7

1 board of supervisors may create, by ordinance, a
2 cemetery commission to assume jurisdiction and
3 management of the pioneer cemeteries in the county.
4 The ordinance shall delineate the number of
5 commissioners, the appointing authority, the term of
6 office, officers, employees, organizational matters,
7 rules of procedure, compensation and expenses, and
8 other matters deemed pertinent by the board. The
9 board may delegate any power and duties relating to
10 cemeteries which may otherwise be exercised by
11 township trustees pursuant to sections 359.28 through
12 359.41 to the cemetery commission except the
13 commission shall not certify a tax levy pursuant to
14 section 359.30 or 359.33 and except that the expenses
15 of the cemetery commission shall be paid from the
16 ~~county general cemetery~~ fund.

17 4. Notwithstanding sections 359.30 and 359.33, the
18 costs of management, repair, and maintenance of
19 pioneer cemeteries shall be paid from the ~~county~~
20 ~~general cemetery~~ fund.

21 Sec. 112. Section 331.421, subsections 1 and 10,
22 Code 2001, are amended by striking the subsections.

23 Sec. 113. Section 331.421, Code 2001, is amended
24 by adding the following new subsection:

25 NEW SUBSECTION. 7A. "Item" means a budgeted
26 expenditure, appropriation, or cash reserve from a
27 fund for a service area, program, program element, or
28 purpose.

29 Sec. 114. Section 331.422, Code 2001, is amended
30 by adding the following new subsection:

31 NEW SUBSECTION. 2A. Taxes in the amount necessary
32 to meet obligations under section 331.425, subsection
33 1, paragraphs "a" and "b", shall be levied on all
34 taxable property in the county.

35 Sec. 115. Section 331.423, Code 2001, is amended
36 by striking the section and inserting in lieu thereof
37 the following:

38 331.423 PROPERTY TAX DOLLARS -- MAXIMUMS.

39 1. Annually, the board shall determine separate
40 property tax levy limits to pay for general county
41 services and rural county services in accordance with
42 this section. The property tax levies separately
43 certified for general county services and rural county
44 services in accordance with section 331.434 shall not
45 exceed the amount determined under this section.

46 2. For purposes of this section and sections
47 331.423A and 331.423B:

48 a. "Annual price index" means the change, computed
49 to four decimal places, between the preliminary price
50 index for the third quarter of the calendar year

H-8462

H-8462

Page 8

1 preceding the calendar year in which the fiscal year
2 starts and the revised price index for the third
3 quarter of the previous calendar year as published in
4 the same issue in which such preliminary price index
5 is first published. The price index used shall be the
6 state and local government chain-type price index used
7 in the quantity and price indexes for gross domestic
8 product as published by the United States department
9 of commerce. The annual price index shall not be less
10 than zero and shall not exceed four hundredths. The
11 change shall then be added to one to create a
12 multiplier for the annual price index. For the fiscal
13 year beginning July 1, 2002, the annual price index as
14 defined in this paragraph, for the purposes of
15 determining the tentative maximum property tax dollars
16 for general county services and rural county services
17 under section 331.423, subsection 3, shall be the same
18 as the annual price index certified for the fiscal
19 year beginning July 1, 2001, as applied in section
20 331.423A, subsection 3.

21 b. "Boundary adjustment" means annexation,
22 severance, incorporation, or discontinuance as those
23 terms are defined in section 368.1.

24 c. "Budget year" is the fiscal year beginning
25 during the calendar year in which a budget is first
26 certified.

27 d. "County affected by tax increment financing"
28 means a county where both of the following apply:

29 (1) The board of supervisors certified a general
30 fund levy for the fiscal year beginning July 1, 2001,
31 on or before March 15, 2001, that was less than three
32 dollars and fifty cents per thousand dollars of
33 taxable valuation times the taxable valuation for the
34 general fund for that fiscal year.

35 (2) A city or community college established a tax
36 increment financing district on property against which
37 the county levied general fund property taxes in the
38 fiscal year beginning July 1, 2000.

39 e. "Current fiscal year" is the fiscal year ending
40 during the calendar year in which a budget is first
41 certified.

42 f. "Local sales and services taxes" means local
43 sales and services taxes imposed under the authority
44 of chapter 422B.

45 g. "Net new valuation taxes" means the amount of
46 property tax dollars equal to the tentative maximum
47 general rate for purposes of the general fund, or the
48 tentative maximum rural rate for purposes of the rural
49 services fund, times the increase from the previous
50 fiscal year in taxable valuation due to the following:

H-8462

H-8462

Page 9

1 (1) Net new construction excluding all incremental
2 valuation that is released in any one year from an
3 urban renewal area for which taxes are being divided
4 under section 403.19 if the property remains part of
5 the urban renewal area.

6 (2) Additions or improvements to existing
7 structures.

8 (3) Remodeling of existing structures for which a
9 building permit is required.

10 (4) Net boundary adjustment.

11 (5) A municipality no longer dividing tax revenues
12 in an urban renewal area as provided in section
13 403.19, to the extent that the incremental valuation
14 released is due to new construction or revaluation on
15 property newly constructed after the division of
16 revenue begins.

17 (6) That portion of taxable property located in an
18 urban revitalization area on which an exemption was
19 allowed and such exemption has expired.

20 (7) A municipality dividing tax revenues in an
21 urban renewal area as provided in section 403.19 which
22 is located in a county affected by tax increment
23 financing, to the extent of the amount of incremental
24 valuation on property newly constructed on or after
25 July 1, 2001. The amount computed under this
26 subparagraph shall not exceed the dollar equivalent of
27 three hundred fifty thousandths multiplied by
28 the taxable valuation for the general fund for the
29 budget year, minus the greater of the current year's
30 tentative maximum property tax dollars for general
31 county services or the general fund property tax
32 dollars certified for the fiscal year beginning July
33 1, 2001.

34 h. "Property tax replacement dollars" means
35 revenues received under sections 427B.17 through
36 427B.19D, revenues received under chapter 437A,
37 subchapter II, revenues received under section 99F.11
38 that are specifically designated for property tax
39 relief in the current fiscal year, and amounts
40 appropriated by the general assembly for property tax
41 relief first enacted for fiscal years beginning on or
42 after July 1, 2001.

43 i. "Tentative maximum general rate" means the
44 amount calculated in subsection 3, paragraph "b",
45 subparagraph (1), divided by the net taxable valuation
46 in the county. For purposes of this paragraph, "net
47 taxable valuation" is the amount of taxable valuation
48 in the county minus the amount of taxable valuation
49 used to calculate net new valuation taxes.

50 j. "Tentative maximum rural rate" means the amount

H-8462

H-8462

Page 10

1 calculated in subsection 3, paragraph "c",
2 subparagraph (1), divided by the net taxable valuation
3 in the unincorporated area of the county. For
4 purposes of this paragraph, "net taxable valuation" is
5 the amount of taxable valuation in the unincorporated
6 area of the county minus the amount of taxable
7 valuation in the unincorporated area of the county
8 used to calculate net new valuation taxes.

9 k. "Unused taxing authority" means the maximum
10 amount of property tax dollars calculated under
11 subsection 3 for a fiscal year minus the amount
12 actually levied under this section in that fiscal
13 year. Unused taxing authority may be carried forward
14 to the following fiscal year. However, the amount of
15 unused taxing authority which may be carried forward
16 shall not exceed twenty-five percent of the maximum
17 amount of property tax dollars available in the
18 current fiscal year.

19 3. a. Effective for and after the fiscal year
20 beginning July 1, 2002, the maximum amount of property
21 tax dollars levied which may be certified by a county
22 for general county services and rural county services
23 shall be the tentative maximum property tax dollars
24 calculated under paragraphs "b" and "c", respectively,
25 and adjusted by the amounts in paragraphs "d", "e",
26 and "f".

27 b. The tentative maximum property tax dollars for
28 general county services is an amount equal to the sum
29 of the following:

30 (1) The current fiscal year's tentative maximum
31 property tax dollars for general county services minus
32 the unused taxing authority carried forward from the
33 previous fiscal year times the annual price index.

34 (2) The amount of net new valuation taxes.

35 (3) The amount of unused taxing authority carried
36 forward from the previous fiscal year.

37 c. The tentative maximum property tax dollars for
38 rural county services is an amount equal to the sum of
39 the following:

40 (1) The current fiscal year's tentative maximum
41 property tax dollars for rural county services minus
42 the unused taxing authority carried forward from the
43 previous fiscal year times the annual price index.

44 (2) The amount of net new valuation taxes.

45 (3) The amount of unused taxing authority carried
46 forward from the previous fiscal year.

47 d. Subtract the amount of property tax replacement
48 dollars to be received for the budget year that will
49 be deposited in the general fund or the rural services
50 fund, as applicable.

H-8462

-10-

H-8462

Page 11

1 e. Subtract the amount of local sales and services
2 taxes for property tax relief estimated by the
3 department of revenue and finance to be received for
4 the budget year that will be deposited in the general
5 fund or the rural services fund, as applicable.

6 f. Subtract the amount of local sales and services
7 taxes received for property tax relief in the previous
8 fiscal year for the county general fund and rural
9 services fund, and add the amount of local sales and
10 services taxes that was budgeted for property tax
11 relief for each of those funds in that fiscal year.

12 4. Property taxes certified for deposit in the
13 mental health, mental retardation, and developmental
14 disabilities services fund in section 331.424A, the
15 cemetery fund in section 331.424B, the county
16 supplemental fund in section 331.425, and the debt
17 service fund in section 331.430, any capital projects
18 fund established by the county for deposit of bond,
19 loan, or note proceeds, and any temporary increase
20 approved pursuant to section 331.424, are not counted
21 against the maximum amount of property tax dollars
22 that may be certified for the fiscal year under
23 subsection 3.

24 5. The department of management shall adopt rules
25 to administer this section and sections 331.423A and
26 331.423B after consultation with the county finance
27 committee.

28 Sec. 116. NEW SECTION. 331.423A BASE YEAR
29 PROPERTY TAX DOLLARS.

30 1. For purposes of calculating maximum property
31 tax dollars under section 331.423, the tentative
32 maximum property tax dollars for the fiscal year
33 beginning July 1, 2000, for general county services
34 shall be calculated as provided in this subsection.
35 For purposes of the base year calculation, the amount
36 of property taxes levied for general county services
37 shall include the amounts levied for each fiscal year
38 for general county services pursuant to sections
39 331.423, 331.424, and 331.426, Code 2001, and exclude
40 the amount of property tax dollars levied for the
41 purposes described in section 331.423, subsection 4,
42 and section 331.425 in each fiscal year. For purposes
43 of the base year calculation, the amount of property
44 taxes levied for rural county services shall include
45 the amounts levied for each fiscal year for rural
46 county services pursuant to sections 331.423, 331.424,
47 and 331.426, Code 2001, and exclude the amount of
48 property tax dollars levied for the purposes described
49 in section 331.423, subsection 4, and section 331.425
50 in each fiscal year.

H-8462

-11-

H-8462

Page 12

1 a. The tentative maximum amount of property tax
2 dollars for general county services for taxes payable
3 in the fiscal year beginning July 1, 2000, shall be an
4 amount equal to the sum of the following, divided by
5 three, and adjusted by the amount in paragraph "b":

6 (1) The sum of the amount of property taxes levied
7 for general county services and the amount of property
8 tax replacement dollars received, the amount of
9 revenues received under section 99F.11 that were
10 specifically designated for property tax relief, and
11 the amount of local sales and services tax revenues
12 received as property tax relief and deposited in the
13 general fund, all for the fiscal year beginning July
14 1, 1997, times one and one hundred ten thousandths.

15 (2) The sum of the amount of property taxes levied
16 for general county services and the amount of property
17 tax replacement dollars received, the amount of
18 revenues received under section 99F.11 that were
19 specifically designated for property tax relief, and
20 the amount of local sales and services tax revenues
21 received as property tax relief and deposited in the
22 general fund, all for the fiscal year beginning July
23 1, 1998, times one and eighty-nine thousandths.

24 (3) The sum of the amount of property taxes levied
25 for general county services and the amount of property
26 tax replacement dollars received, the amount of
27 revenues received under section 99F.11 that were
28 specifically designated for property tax relief, and
29 the amount of local sales and services tax revenues
30 received as property tax relief and deposited in the
31 general fund, all for the fiscal year beginning July
32 1, 1999, times one and sixty-seven thousandths.

33 b. The amount computed under the formula in
34 paragraph "a" shall be adjusted by subtracting the
35 amount of the ending fund balance differential for
36 general county services as provided in this paragraph.
37 The ending fund balance differential for general
38 county services is the difference between the general
39 fund's ending balance for the fiscal year beginning
40 July 1, 1999, and the general fund's ending balance
41 for the fiscal year beginning July 1, 1996, divided by
42 three. However, for purposes of this paragraph, the
43 ending fund balance for the fiscal year beginning July
44 1, 1996, and the fiscal year beginning July 1, 1999,
45 shall not include general obligation bond proceeds
46 deposited in the general fund.

47 2. For purposes of calculating maximum property
48 tax dollars under section 331.423, the tentative
49 maximum property tax dollars for the fiscal year
50 beginning July 1, 2000, for rural county services

H-8462

H-8462

Page 13

1 shall be calculated as provided in this subsection.

2 a. The tentative maximum amount of property tax
3 dollars for rural county services for taxes payable in
4 the fiscal year beginning July 1, 2000, shall be an
5 amount equal to the sum of the following, divided by
6 three, and adjusted by the amount in paragraph "b":

7 (1) The sum of the amount of property taxes levied
8 for rural county services and the amount of property
9 tax replacement dollars received, the amount of
10 revenues received under section 99F.11 that were
11 specifically designated for property tax relief, and
12 the amount of local sales and services tax revenues
13 received as property tax relief and deposited in the
14 rural services fund, all for the fiscal year beginning
15 July 1, 1997, times one and one hundred ten
16 thousandths.

17 (2) The sum of the amount of property taxes levied
18 for rural county services and the amount of property
19 tax replacement dollars received, the amount of
20 revenues received under section 99F.11 that were
21 specifically designated for property tax relief, and
22 the amount of local sales and services tax revenues
23 received as property tax relief and deposited in the
24 rural services fund, all for the fiscal year beginning
25 July 1, 1998, times one and eighty-nine thousandths.

26 (3) The sum of the amount of property taxes levied
27 for rural county services and the amount of property
28 tax replacement dollars received, the amount of
29 revenues received under section 99F.11 that were
30 specifically designated for property tax relief, and
31 the amount of local sales and services tax revenues
32 received as property tax relief and deposited in the
33 rural services fund, all for the fiscal year beginning
34 July 1, 1999, times one and sixty-seven thousandths.

35 b. The amount computed under the formula in
36 paragraph "a" shall be adjusted by subtracting the
37 amount of the ending fund balance differential for
38 rural county services as provided in this paragraph.
39 The ending fund balance differential for rural county
40 services is the difference between the rural services
41 fund's ending balance for the fiscal year beginning
42 July 1, 1999, and the rural services fund's ending
43 balance for the fiscal year beginning July 1, 1996,
44 divided by three.

45 3. a. The tentative maximum amount of property
46 tax dollars for general county services for taxes
47 payable in the fiscal year beginning July 1, 2001, is
48 an amount equal to the amount computed in subsection 1
49 times the annual price index plus the amount of net
50 new valuation taxes.

H-8462

H-8462

Page 14

1 b. The tentative maximum amount of property tax
2 dollars for rural county services for taxes payable in
3 the fiscal year beginning July 1, 2001, is an amount
4 equal to the amount computed in subsection 2 times the
5 annual price index plus the amount of net new
6 valuation taxes.

7 4. Each county shall calculate its tentative
8 maximum property tax dollars under this section on
9 forms prescribed by the department of management.

10 Sec. 117. NEW SECTION. 331.423B ENDING FUND
11 BALANCE.

12 1. Budgeted ending fund balances on a cash basis
13 for a budget year in excess of twenty-five percent of
14 budgeted expenditures in either the general fund,
15 county supplemental fund, or rural services fund for
16 that budget year shall be explicitly reserved or
17 designated for a specific purpose and specifically
18 described in the certified budget. The description
19 shall include the projected date that the expenditures
20 will be appropriated for the specific purpose. A
21 county is encouraged, but not required, to reduce
22 budgeted, unreserved, or undesignated ending fund
23 balances for the budget year to an amount equal to
24 approximately twenty-five percent of budgeted
25 expenditures in the general fund, county supplemental
26 fund, and rural services fund for that budget year
27 unless a decision is certified by the state appeal
28 board ordering a reduction in the ending fund balance
29 of any of those funds. In a protest to the county
30 budget under section 331.436, the county shall have
31 the burden of proving that the budgeted balances in
32 excess of twenty-five percent are reasonably likely to
33 be appropriated for the explicitly reserved or
34 designated specific purpose by the date identified in
35 the certified budget. The excess budgeted balance for
36 the specific purpose shall be considered an increase
37 in an item in the budget for purposes of section
38 24.28.

39 2. For a county that has, as of June 30, 2001,
40 reduced its actual ending fund balance to less than
41 twenty-five percent of actual expenditures on a cash
42 basis, additional property taxes may be computed and
43 levied as provided in this subsection. The additional
44 property tax levy amount is an amount not to exceed
45 twenty-five percent of actual expenditures from the
46 general fund and rural services fund for the fiscal
47 year beginning July 1, 2000, minus the combined ending
48 fund balances for those funds for that year. The
49 amount of the additional property taxes shall be
50 divided between the general fund and the rural

H-8462

-14-

H-8462

Page 15

1 services fund in proportion to the amount of actual
2 expenditures for general county services to total
3 actual expenditures for general and rural county
4 services for the fiscal year beginning July 1, 2000,
5 and in proportion to the amount of actual expenditures
6 for rural county services to total actual expenditures
7 for general and rural county services for the fiscal
8 year beginning July 1, 2000. However, the amount
9 apportioned for general county services and for rural
10 county services shall not exceed for each fund twenty-
11 five percent of actual expenditures for the fiscal
12 year beginning July 1, 2000.

13 All or a portion of additional property tax dollars
14 may be levied for the purpose of increasing cash
15 reserves for general county services and rural county
16 services in the budget year. The additional property
17 tax dollars authorized under this subsection but not
18 levied may be carried forward as unused ending fund
19 balance taxing authority until and for the fiscal year
20 beginning July 1, 2007. The amount carried forward,
21 when combined with unused taxing authority shall not
22 exceed twenty-five percent of the maximum amount of
23 property tax dollars available in the current fiscal
24 year. Additionally, property taxes that are levied as
25 unused ending fund balance taxing authority under this
26 subsection may be the subject of a protest under
27 section 331.436 and the amount will be considered an
28 increase in an item in the budget for purposes of
29 section 24.28. The amount of additional property
30 taxes levied under this subsection shall not be
31 included in the computation of the maximum amount of
32 property tax dollars which may be certified and levied
33 under section 331.423.

34 Sec. 118. Section 331.424, Code Supplement 2001,
35 is amended by striking the section and inserting in
36 lieu thereof the following:

37 331.424 AUTHORITY TO LEVY BEYOND MAXIMUM PROPERTY
38 TAX DOLLARS.

39 1. The board may certify additions to the maximum
40 amount of property tax dollars to be levied for a
41 period of time not to exceed two years if the
42 proposition has been submitted at a special election
43 and received a favorable majority of the votes cast on
44 the proposition.

45 2. The special election is subject to the
46 following:

47 a. The board must give at least thirty-two days'
48 notice to the county commissioner of elections that
49 the special election is to be held.

50 b. The special election shall be conducted by the

H-8462

H-8462

Page 16

1 county commissioner of elections in accordance with
2 law.

3 c. The proposition to be submitted shall be
4 substantially in the following form:

5 "Vote "yes" or "no" on the following: Shall the
6 county of _____ levy for an additional \$ _____ each
7 year for _____ years beginning July 1, _____, in excess
8 of the statutory limits otherwise applicable for the
9 (general county services or rural services) fund?"

10 d. The canvass shall be held beginning at one p.m.
11 on the second day which is not a holiday following the
12 special election.

13 e. Notice of the special election shall be
14 published at least once in a newspaper as specified in
15 section 331.305 prior to the date of the special
16 election. The notice shall appear as early as
17 practicable after the board has voted to submit a
18 proposition to the voters to levy additional property
19 tax dollars.

20 3. Registered voters in the county may vote on the
21 proposition to increase property taxes for the general
22 fund in excess of the statutory limit. Registered
23 voters residing outside the corporate limits of a city
24 within the county may vote on the proposition to
25 increase property taxes for the rural services fund in
26 excess of the statutory limit.

27 4. The amount of additional property tax dollars
28 certified under this subsection shall not be included
29 in the computation of the maximum amount of property
30 tax dollars which may be certified and levied under
31 section 331.423.

32 Sec. 119. Section 331.424B, Code 2001, is amended
33 to read as follows:

34 331.424B CEMETERY LEVY.

35 The board may levy annually a tax on all taxable
36 property in the county not to exceed six and three-
37 fourths cents per thousand dollars of the assessed
38 value of all taxable property in the county to repair
39 and maintain all cemeteries under the jurisdiction of
40 the board including pioneer cemeteries and to pay
41 other expenses of the board or the cemetery commission
42 as provided in section 331.325. The proceeds of the
43 tax levy shall be credited to the ~~county general~~
44 ~~cemetery fund. Sections 444.25A and 444.25B do not~~
45 ~~apply to the property tax levied or expended for~~
46 ~~cemeteries pursuant to section 331.325.~~

47 Sec. 120. Section 331.425, Code 2001, is amended
48 by striking the section and inserting in lieu thereof
49 the following:

50 331.425 COUNTY SUPPLEMENTAL FUND.

H-8462

H-8462

Page 17

1 1. The county supplemental fund is established for
2 the following purposes:

3 a. Accounting for pension and related employee
4 benefits as provided by the department of management.

5 b. Accounting for tort liability insurance,
6 property insurance, and any other insurance that may
7 be necessary in the operation of the county, costs of
8 a self-insurance program, costs of a local government
9 risk pool, and amounts payable under any insurance
10 agreements to provide or procure such insurance, self-
11 insurance program, or local government risk pool.

12 c. Accounting for gifts or grants received by the
13 county for a particular purpose.

14 d. Accounting for money and property received and
15 handled by the county as trustee or custodian or in
16 the capacity of an agent.

17 2. County revenues from taxes and other sources
18 for the purposes described in this section shall be
19 credited to the county supplemental fund.

20 Sec. 121. Section 331.427, subsection 2, paragraph
21 1, Code Supplement 2001, is amended to read as
22 follows:

23 1. Services listed in ~~section 331.424, subsection~~
24 ~~1, and~~ section 331.554.

25 Sec. 122. Section 331.428, subsection 2, paragraph
26 d, Code 2001, is amended by striking the paragraph.

27 Sec. 123. Section 331.429, subsection 1, Code
28 Supplement 2001, is amended by adding the following
29 new paragraph:

30 NEW PARAGRAPH. f. Notwithstanding paragraphs "a"
31 and "b", transfers from the general fund or rural
32 services fund in accordance with this paragraph. The
33 board may transfer additional funds from the general
34 fund or rural services fund in excess of the amounts
35 in paragraphs "a" and "b" if the proposition has been
36 submitted at a special election and received a
37 favorable majority of the votes cast on the
38 proposition. The board shall direct the county
39 commissioner of elections to submit the proposition at
40 an election. The board must give at least thirty-two
41 days' notice to the county commissioner of elections
42 that the special election is to be held. For a
43 transfer from the general fund, registered voters of
44 the county may vote on the proposition. For a
45 transfer from the rural services fund, registered
46 voters of the county residing outside the corporate
47 limits of a city within the county may vote on the
48 proposition. The proposition to be submitted shall be
49 substantially in the following form:

50 "Vote "yes" or "no" on the following question:

H-8462

-17-

H-8462

Page 18

1 Shall the county of _____ transfer an additional
2 \$ _____ each year for two years beginning July 1,
3 _____, from the (general fund or rural services fund)
4 to the secondary road fund?"

5 Notice of the special election shall be published
6 at least once in a newspaper in the manner provided in
7 section 331.305. Notice of the special election shall
8 appear as early as practicable after the board has
9 voted to submit a proposition to the voters to
10 transfer funds from the general fund or rural services
11 fund to the secondary road fund.

12 If a majority of the votes cast are in favor of the
13 proposition, the board shall certify the results of
14 the election to the department of management and
15 transfer the approved amount to the secondary road
16 fund in the appropriate fiscal year.

17 Sec. 124. Section 425A.2, subsection 4, paragraph
18 d, Code 2001, is amended to read as follows:

19 d. If the owner is an authorized farm corporation,
20 a shareholder or the shareholder's spouse who owns at
21 least ~~fifty-one~~ fifty percent of the stock of the
22 authorized farm corporation ~~or the shareholder's~~
23 ~~spouse~~.

24 Sec. 125. Section 425A.2, subsection 4, paragraph
25 e, Code 2001, is amended to read as follows:

26 e. If the owner is an individual who leases the
27 tract to a family farm corporation, a shareholder of
28 the corporation if the combined stock of the family
29 farm corporation owned by the owner of the tract and
30 persons related to the owner as enumerated in
31 paragraph "a" is equal to at least ~~fifty-one~~ fifty
32 percent of the stock of the family farm corporation.

33 Sec. 126. Section 425A.2, subsection 4, paragraph
34 f, Code 2001, is amended to read as follows:

35 f. If the owner is an individual who leases the
36 tract to a partnership, a partner if the combined
37 partnership interest owned by a designated person as
38 defined in paragraph "a" is equal to at least ~~fifty-~~
39 ~~one~~ fifty percent of the ownership interest of the
40 partnership.

41 Sec. 127. Section 427.1, subsection 19, Code
42 Supplement 2001, is amended by adding the following
43 new unnumbered paragraph after unnumbered paragraph 8:

44 NEW UNNUMBERED PARAGRAPH. Pollution-control
45 property used for purposes relating to the care and
46 feeding of livestock as defined in section 169C.1
47 shall be limited to the first two hundred thousand
48 dollars in assessed value, unless an owner of the
49 pollution-control property is any of the following:

50 a. The owner of agricultural land which is

H-8462

H-8462

Page 19

1 eligible for the family farm property tax credit as
2 provided in chapter 425A.

3 b. Actively engaged in farming as defined in
4 section 10.1.

5 c. A networking farmers entity as defined in
6 section 10.1 or a member of a networking farmers
7 entity.

8 Sec. 128. Section 331.426, Code 2001, is repealed.

9 Sec. ____ . APPLICABILITY DATES. Sections 124
10 through 126 of this Act apply to credits applied for
11 on or after July 1, 2002. Section 127 of this Act
12 applies to exemptions first applied for on or after
13 July 1, 2002. Sections 1, 102 through 109, 110
14 through 123, and 128 of this Act apply to the fiscal
15 year beginning July 1, 2002, and all subsequent fiscal
16 years."

17 ____ . Title page, line 2, by inserting after the
18 word "purposes" the following: "and the maximum
19 property tax dollars levied by a county and including
20 effective date provisions".

By VAN FOSSEN of Scott

H-8462 FILED MARCH 27, 2002

o/o
3/28/02

SENATE FILE 2228

H-8463

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate as follows:

3 1. By striking page 1, line 5 through page 7,
4 line 37 and inserting the following:

5 "Section 1. Section 307A.2, subsection 14A, Code
6 2001, is amended to read as follows:

7 14A. Annually recalculate the construction and
8 maintenance needs of roads under the jurisdiction of
9 each county to take into account the needs of a road
10 whose jurisdiction has been transferred from the
11 department to a county or from a county to the
12 department during the previous year. The
13 recalculation shall be reported by January 1 of the
14 year following the transfer and shall take effect the
15 following July 1 for the purposes of allocating moneys
16 under ~~sections~~ section 312.3 and 312.5.

17 Sec. 2. Section 309.10, Code 2001, is amended to
18 read as follows:

19 309.10 USE OF FARM-TO-MARKET ROAD ~~FUND~~ ACCOUNT.

20 1. Notwithstanding section 310.4, if the board of
21 supervisors of a county does not plan to utilize its
22 farm-to-market road ~~fund~~ account allocation for the
23 succeeding fiscal year for farm-to-market projects,
24 the board may annually, by stipulation in the
25 secondary road construction program and secondary road
26 budget submitted to the department in accordance with
27 sections 309.22 and 309.93, determine an amount of the
28 unobligated portion of its allocation, up to a maximum
29 of fifty percent of its anticipated total annual
30 allocation, for the construction and reconstruction of
31 local secondary roads. However, moneys from the farm-
32 to-market road ~~fund~~ account shall not be so used if
33 the moneys are needed to match federal funds available
34 for farm-to-market road projects.

35 2. A county shall not use farm-to-market road
36 ~~funds~~ account moneys as described in this section
37 unless the total funds that the county transferred or
38 provided during the prior fiscal year pursuant to
39 section 331.429, subsection 1, paragraphs "a", "b",
40 "d", and "e", are at least seventy-five percent of the
41 sum of the following:

42 ~~1-~~ a. From the general fund of the county, the
43 dollar equivalent of a tax of sixteen and seven-
44 eighths cents per thousand dollars of assessed value
45 on all taxable property in the county.

46 ~~2-~~ b. From the rural services fund of the county,
47 the dollar equivalent of a tax of three dollars and
48 three-eighths of a cent per thousand dollars of
49 assessed value on all taxable property not located
50 within the corporate limits of a city in the county.

H-8463

H-8463

Page 2

1 Sec. 3. Section 310.3, Code 2001, is amended to
2 read as follows:

3 310.3 FUNDS FARM-TO-MARKET ROAD ACCOUNT OF
4 SECONDARY ROAD FUND.

5 ~~There is hereby created a fund~~ As provided in
6 section 312.2, the treasurer of state shall maintain a
7 separate account in the secondary road fund which
8 shall be known as the farm-to-market road fund account
9 which shall be made up as follows of the following:

10 1. All federal aid secondary road funds received
11 by the state.

12 2. All road use tax funds by law credited to the
13 farm-to-market road fund account.

14 3. All other funds which may, under ~~the provisions~~
15 ~~of~~ this chapter or any other law, be credited or
16 appropriated for the use of the farm-to-market road
17 fund account.

18 Sec. 4. Section 310.4, Code 2001, is amended to
19 read as follows:

20 310.4 USE OF FUND ACCOUNT.

21 ~~Said~~ The farm-to-market road fund account is hereby
22 appropriated for and shall be used in the
23 establishment, construction, reconstruction, or
24 improvement of the farm-to-market road system,
25 including the drainage, grading, surfacing,
26 resurfacing, construction of bridges and culverts, the
27 elimination, protection, or improvement of railroad
28 crossings, the acquiring of additional right of way
29 and all other expenses incurred in the construction,
30 reconstruction or improvement of ~~said~~ the farm-to-
31 market road system under this chapter.

32 Sec. 5. Section 310.6, Code 2001, is amended to
33 read as follows:

34 310.6 ACCOUNTS BY DEPARTMENT.

35 The department shall keep ~~accounts~~ subaccounts in
36 relation to the farm-to-market road fund account and
37 each county's allotment ~~thereof~~ of the account,
38 crediting each fund subaccount with all amounts by law
39 creditable thereto, and charging each with all duly
40 and finally approved vouchers for claims properly
41 chargeable thereto.

42 Sec. 6. Section 310.8, Code 2001, is amended to
43 read as follows:

44 310.8 QUARTERLY STATEMENT TO COUNTY ENGINEER.

45 The department shall, quarterly, advise each county
46 engineer of the condition of ~~said~~ the county's
47 allotment of the farm-to-market road fund account.

48 ~~Said~~ The statement shall show the balance in said the
49 county's allotment at the beginning of ~~said~~ the
50 period, the amount or amounts allotted to ~~said~~ the

H-8463

H-8463

Page 3

1 county during ~~said~~ the period, the amount disbursed
2 from ~~said~~ the county's allotment during ~~said~~ the
3 period, and the balance in ~~said~~ the county's allotment
4 at the end of the ~~said~~ period. Said The statement
5 shall also show the estimated outstanding obligations
6 against the ~~said~~ county's allotment at the date of
7 ~~said~~ the statement.

8 Sec. 7. Section 310.16, Code 2001, is amended to
9 read as follows:

10 310.16 CLAIMS CHARGED TO COUNTY ALLOTMENT.

11 All claims for improving farm-to-market roads
12 hereunder shall be paid from the farm-to-market road
13 account of the secondary road fund and charged to the
14 allotment of ~~said fund~~ the account for the county in
15 which ~~said~~ the project is located.

16 Sec. 8. Section 310.20, Code 2001, is amended to
17 read as follows:

18 310.20 SUPERVISORS RESOLUTION TO STATE TREASURER.

19 Any county may, in any year, by resolution of its
20 board of supervisors, make available for improvement
21 or construction of farm-to-market roads within the
22 county any portion of its allotment of road use tax
23 funds. Upon certification of such a resolution, the
24 state treasurer shall place in the county's allotment
25 of the farm-to-market road account of the secondary
26 road fund the amount authorized by ~~such~~ the
27 resolution.

28 Sec. 9. Section 310.27, Code 2001, is amended to
29 read as follows:

30 310.27 PERIOD OF ALLOCATION -- REVERSION --
31 TEMPORARY TRANSFERS.

32 1. The portion of the farm-to-market road account
33 of the secondary road fund allotted to any county as
34 provided in this chapter shall remain available for
35 expenditure in ~~said~~ the county for three years after
36 the close of the fiscal year during which ~~said sums~~
37 ~~respectively were~~ the portion was allocated. Any ~~sum~~
38 portion remaining unexpended at the end of the period
39 during which it is available for expenditure, shall be
40 reapportioned among all the counties ~~as provided in~~
41 ~~section 312.5 for original allocations.~~

42 2. For the purposes of this section, any ~~sums~~
43 portions of the farm-to-market road account of the
44 secondary road fund allotted to any county shall be
45 presumed to have been ~~"expended"~~ when a contract has
46 been awarded obligating the ~~sums~~ portions. When
47 projects and their estimated costs, which are proposed
48 to be funded from the farm-to-market road ~~fund~~
49 account, are submitted to the department for approval,
50 the department shall estimate the total funding

H-8463

-3-

H-8463

Page 4

1 necessary and the period during which claims for the
2 projects will be filed. After anticipating the
3 funding necessary for approved projects, the
4 department may temporarily allocate additional moneys
5 from the farm-to-market road ~~fund~~ account for use in
6 any other farm-to-market projects. However, a county
7 shall not be temporarily allocated funds for projects
8 in excess of the county's anticipated farm-to-market
9 road ~~fund~~ account allocation for the current fiscal
10 year plus the four succeeding fiscal years.

11 3. If in the judgment of the department the
12 anticipated claims against the primary road fund for
13 any month are in excess of moneys available, a
14 temporary transfer for highway construction costs may
15 be made from the farm-to-market road ~~fund~~ account to
16 the primary road fund providing there will remain in
17 the ~~transferring fund~~ farm-to-market road account a
18 sufficient balance to meet the anticipated
19 obligations. All transfers shall be repaid from the
20 primary road fund to the farm-to-market road ~~fund~~
21 account within sixty days from the date of the
22 transfer. A transfer shall be made only with the
23 approval of the director of management and shall
24 comply with the director of management's rules
25 relating to the transfer of funds. Similar transfers
26 may be made by the department from the primary road
27 fund to the farm-to-market road ~~fund~~ account and these
28 transfers shall be subject to the same terms and
29 conditions that transfers from the farm-to-market road
30 ~~fund~~ account to the primary road fund are subject.

31 Sec. 10. Section 310.28, Code 2001, is amended to
32 read as follows:

33 310.28 ENGINEERING AND OTHER EXPENSE.

34 1. Engineering, inspection, and administration
35 ~~expense~~ expenses in connection with any farm-to-market
36 road project may be paid from ~~said~~ the county's
37 allotment of the farm-to-market road account of the
38 secondary road fund. Any such expense incurred by the
39 department may in the first instance be advanced out
40 of the primary road fund, ~~said~~ the amounts later being
41 reimbursed to ~~said funds~~ the primary road fund out of
42 the farm-to-market road ~~fund~~ account.

43 2. ~~Provided, that no~~ No part of the salary or
44 expense of the county engineer, any member of the
45 county board of supervisors, any member of the
46 department, the chief engineer, or any department head
47 or district engineer of the department shall be paid
48 out of the farm-to-market road ~~fund~~ account.

49 Sec. 11. Section 310.34, Code 2001, is amended to
50 read as follows:

H-8463

H-8463

Page 5

1 310.34 SECONDARY ROAD RESEARCH FUND.

2 Notwithstanding any provision of law to the
3 contrary, the department ~~is hereby authorized to may~~
4 set aside each year not to exceed one and one-half
5 percent of the receipts in the farm-to-market road
6 fund account of the secondary road fund in a fund to
7 be known as the secondary road research fund.

8 Sec. 12. Section 312.2, unnumbered paragraph 1,
9 Code Supplement 2001, is amended to read as follows:

10 The treasurer of the state shall, on the first day
11 of each month, credit all road use tax funds which
12 have been received by the treasurer, to the primary
13 road fund, the secondary road fund of the counties,
14 ~~the farm-to-market road fund,~~ and the street
15 construction fund of cities in the following manner
16 and amounts:

17 Sec. 13. Section 312.2, subsections 1 through 4,
18 Code Supplement 2001, are amended to read as follows:

19 1. To the primary road fund, ~~forty-seven and one-~~
20 half fifty percent.

21 2. To the secondary road fund of the counties,
22 ~~twenty-four and one-half~~ twenty-five percent. The
23 treasurer shall maintain a separate farm-to-market
24 road account in the secondary road fund for deposit of
25 moneys to be used for farm-to-market roads.

26 ~~3. To the farm-to-market road fund, eight percent.~~

27 ~~4.~~ 3. To the street construction fund of the
28 cities, ~~twenty~~ twenty-five percent.

29 Sec. 14. Section 312.2, subsection 10, Code
30 Supplement 2001, is amended to read as follows:

31 10. The treasurer of state, before making the
32 other allotments provided for in this section, shall
33 credit annually to the primary road fund from the road
34 use tax fund the sum of four million four hundred
35 thousand dollars and to the farm-to-market road
36 account of the secondary road fund from the road use
37 tax fund the sum of one million five hundred thousand
38 dollars for partial compensation of allowing trucks to
39 operate on the roads of this state as provided in
40 section 321.463.

41 Sec. 15. Section 312.3, subsection 1, Code 2001,
42 is amended by striking the subsection and inserting in
43 lieu thereof the following:

44 1. Apportion among the counties of the state, in
45 the ratio which the population of each county, as
46 shown by the latest available federal census, bears to
47 the total population of all counties in the state, the
48 percentage of the road use tax fund which is credited
49 to the secondary road fund of the counties. A county
50 may have one special federal census taken each decade,

H-8463

-5-

H-8463

Page 6

1 and the population figure thus obtained shall be used
2 in apportioning amounts under this subsection
3 beginning the calendar year following the year in
4 which the special census is certified by the secretary
5 of state.

6 Sec. 16. Section 312.4, subsections 2 and 4, Code
7 2001, are amended to read as follows:

8 2. The amount of the road use tax fund which the
9 treasurer has credited to ~~-(a)-~~ the following:

10 a. The primary road fund, ~~(b) the~~.

11 b. The secondary road fund of the counties, ~~(e)~~
12 ~~the farm-to-market road fund, and (d) the~~.

13 c. The street construction fund of the cities.

14 4. The amount of federal aid secondary road funds
15 which the treasurer has received from the federal
16 government and credited to the farm-to-market road
17 account of the secondary road fund.

18 Sec. 17. Section 314.3, Code 2001, is amended to
19 read as follows:

20 314.3 CLAIMS -- APPROVAL AND PAYMENT.

21 1. All claims for construction, reconstruction,
22 improvement, repair, or maintenance on any highway
23 shall be itemized on voucher forms prepared for that
24 purpose, certified to by the claimants and by the
25 engineer in charge, and then forwarded to the agency
26 in control of that highway for final audit and
27 approval. Claims payable from the farm-to-market road
28 account of the secondary road fund shall be approved
29 by both the board of supervisors and the department.
30 Upon approval by the department of vouchers which are
31 payable from the farm-to-market road ~~fund~~ account, or
32 from the primary road fund, as the case may be, such
33 vouchers shall be forwarded to the director of revenue
34 and finance, who shall draw warrants ~~therefore~~ for the
35 vouchers and ~~said~~ the warrants shall be paid by the
36 treasurer of the state from the farm-to-market road
37 ~~fund~~ account or from the primary road fund, as the
38 case may be.

39 2. If the engineer makes such certificate or a
40 member of the agency approves such claim when ~~said~~ the
41 work has not been done in accordance with the plans
42 and specifications, and ~~said~~ the work be not promptly
43 made good without additional cost, the engineer or
44 member shall be liable on the person's bond for the
45 amount of such claim.

46 Sec. 18. Section 331.401, subsection 1, paragraph
47 b, Code 2001, is amended to read as follows:

48 b. Establish budgets for the farm-to-market road
49 account of the secondary road fund and the secondary
50 road fund in accordance with sections 309.10 and

H-8463

H-8463

Page 7

1 309.93 to 309.97.

2 Sec. 19. Section 331.429, Code Supplement 2001, is
3 amended to read as follows:

4 331.429 SECONDARY ROAD FUND.

5 1. Except as otherwise provided by state law,
6 county revenues for secondary and farm-to-market road
7 services shall be credited to the secondary road fund,
8 including the following:9 a. Transfers from the general fund not to exceed
10 in any year the dollar equivalent of a tax of sixteen
11 and seven-eighths cents per thousand dollars of
12 assessed value on all taxable property in the county
13 multiplied by the ratio of current taxes actually
14 collected and apportioned for the general basic levy
15 to the total general basic levy for the current year,
16 and an amount equivalent to the moneys derived by the
17 general fund from military service tax credits under
18 chapter 426A, manufactured or mobile home taxes under
19 section 435.22, and delinquent taxes for prior years
20 collected and apportioned to the general basic fund in
21 the current year, multiplied by the ratio of sixteen
22 and seven-eighths cents to three dollars and fifty
23 cents.24 b. Transfers from the rural services fund not to
25 exceed in any year the dollar equivalent of a tax of
26 three dollars and three-eighths cents per thousand
27 dollars of assessed value on all taxable property not
28 located within the corporate limits of a city in the
29 county multiplied by the ratio of current taxes
30 actually collected and apportioned for the rural
31 services basic levy to the total rural services basic
32 levy for the current year and an amount equivalent to
33 the moneys derived by the rural services fund from
34 military service tax credits under chapter 426A,
35 manufactured or mobile home taxes under section
36 435.22, and delinquent taxes for prior years collected
37 and apportioned to the rural services basic fund in
38 the current year, multiplied by the ratio of three
39 dollars and three-eighths cents to three dollars and
40 ninety-five cents.41 c. Moneys allotted to the county from the state
42 road use tax fund.43 d. Moneys provided by individuals from their own
44 contributions for the improvement of any secondary or
45 farm-to-market road.46 e. Other moneys dedicated to this fund by law
47 including but not limited to funds so dedicated
48 pursuant to sections 306.15, 309.52, 311.23, 311.29,
49 and 313.28.50 f. All federal aid secondary road funds received**H-8463**

H-8463

Page 8

1 by the state.
2 2. The board may make appropriations from the
3 secondary road fund and from the farm-to-market road
4 account within the fund for the following secondary
5 road services:
6 a. Construction and reconstruction of secondary
7 and farm-to-market roads and costs incident to the
8 construction and reconstruction.
9 b. Maintenance and repair of secondary and farm-
10 to-market roads and costs incident to the maintenance
11 and repair.
12 c. Payment of all or part of the cost of
13 construction and maintenance of bridges in cities
14 having a population of eight thousand or less and all
15 or part of the cost of construction of roads which are
16 located within cities of less than four hundred
17 population and which lead to state parks.
18 d. Special drainage assessments levied on account
19 of benefits to secondary or farm-to-market roads.
20 e. Payment of interest and principal on bonds of
21 the county issued for secondary or farm-to-market
22 roads, bridges, or culverts constructed by the county.
23 f. A legal obligation in connection with secondary
24 and farm-to-market roads and bridges, which obligation
25 is required by law to be taken over and assumed by the
26 county.
27 g. Secondary and farm-to-market road equipment,
28 materials, and supplies, and garages or sheds for
29 their storage, repair, and servicing.
30 h. Assignment or designation of names or numbers
31 to roads in the county and erection, construction, or
32 maintenance of guideposts or signs at intersections of
33 roads in the county.
34 i. The services provided under sections 306.15,
35 309.18, 309.52, 311.7, 311.23, 313A.23, 316.14,
36 468.43, 468.108, 468.341, and 468.342, chapter 310, or
37 other state law relating to secondary or farm-to-
38 market roads."
39 2. By striking page 11, line 44 through page 12,
40 line 15 and inserting the following: "credited to the
41 road use tax fund created in section 312.1. This
42 paragraph is repealed July 1, 2022."
43 3. Page 12, by inserting after line 40 the
44 following:
45 "Sec. _____. Sections 310.7 and 312.5, Code 2001,
46 are repealed.
47 Sec. _____. TRANSITION PROVISIONS. The treasurer of
48 state and the state department of transportation shall
49 cooperate to coordinate any transitional procedures
50 required for allocation of road use tax funds as

H-8463

-8-

H-8463

Page 9

1 provided in this Act."

2 4. Page 12, by striking lines 42 through 45 and

3 inserting the following:

4 "1. Except as provided in subsection 2, this Act

5 takes effect July 1, 2002."

6 5. Page 13, by striking lines 1 through 4 and

7 inserting the following: "word "purposes" the

8 following: "increasing the state sales tax for road

9 purposes, changing the formula for the distribution of

10 road use tax fund moneys, "."

By VAN FOSSEN of Scott

HUSER of Polk

METCALF of Polk

ELGIN of Linn

HOVERSTEN of Woodbury

CHIODO of Polk

H-8463 FILED MARCH 27, 2002

o/o

3/28/02

SENATE FILE 2228

H-8466

1 Amend the amendment, H-8422, to Senate File 2228,

2 as passed by the Senate, as follows:

3 1. Page 6, by inserting after line 25, the

4 following:

5 "3. Any public works building or other

6 construction work funded with any moneys received

7 under section 298B.1 shall not be utilized to pay for

8 construction management services until such time as

9 the general assembly has completed an in-depth study

10 on the advisability of the cost impact of utilization

11 of construction management services on public

12 projects. "Construction management services" means

13 all services provided in the planning, design, and

14 construction phase performed by a construction

15 manager, but shall not include the services of a

16 general contractor, architect, engineer, or registered

17 landscape architect employed by the public owner."

By SHEY of Linn

H-8466 FILED MARCH 27, 2002

o/o

3/28/02

SENATE FILE 2228

H-8468

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed, by the Senate, as follows:

3 1. Page 1, by inserting before line 3, the
4 following:

5 "____. Page 1, by inserting before line 1, the
6 following:

7 "Sec. 200. Section 24.28, Code 2001, is amended to
8 read as follows:

9 24.28 HEARING ON PROTEST.

10 The state board, within a reasonable time, shall
11 fix a date for an initial hearing on the protest and
12 may designate a deputy to hold the hearing, which
13 shall be held in the county or in one of the counties
14 in which the municipality is located. Notice of the
15 time and place of the hearing shall be given by
16 certified mail to the appropriate officials of the
17 local government and to the first ten property owners
18 whose names appear upon the protest, at least ~~five~~ ten
19 days before the date fixed for the hearing. At all
20 hearings, the burden shall be upon the objectors with
21 reference to any proposed item in the budget, which
22 was included in the budget of the previous fiscal year
23 and which the objectors propose should be reduced or
24 ~~excluded; but the,~~ to show that the item is not
25 necessary, reasonable, and in the interest of public
26 welfare. The burden shall be upon the certifying
27 board or the levying board, as the case may be, to
28 show that any new item in the budget compared to the
29 previous fiscal year, or any increase in any item in
30 the budget from the previous fiscal year, is
31 necessary, reasonable, and in the interest of the
32 public welfare. An item is considered to be a new
33 item in the budget if it is taxed or appropriated out
34 of the fund for the first time. The state board shall
35 not sustain any item in the budget from which appeal
36 is taken if the tax or appropriation for the item is
37 inconsistent with law. For purposes of this section,
38 "item" means a budgeted expenditure, appropriation, or
39 cash reserve from a fund for a service area, program,
40 program element, or purpose. For purposes of this
41 section, "previous fiscal year" is the fiscal year
42 ending during the calendar year previous to the
43 calendar year in which a budget is first certified.

44 Sec. 201. Section 25B.7, Code 2001, is amended by
45 adding the following new subsection:

46 NEW SUBSECTION. 4. Beginning with property taxes
47 due and payable in the fiscal year beginning July 1,
48 2002, the state appropriation made to fund a property
49 tax credit or exemption shall not be reduced from the
50 appropriation made for the property tax credit or

H-8468

H-8468

Page 2

1 exemption in the prior fiscal year unless the reduced
2 appropriation receives approval of three-fifths of the
3 members of each house of the general assembly and a
4 fiscal note prepared by the legislative fiscal bureau
5 is provided to members of the general assembly and
6 made available to the general public identifying the
7 impact of the reduced appropriation on property
8 taxpayers at least two days before passage by either
9 house of the legislation containing the reduced
10 appropriation. The property tax credits and
11 exemptions subject to this section include, but are
12 not limited to, the following:

13 a. Homestead tax credit pursuant to sections 425.1
14 through 425.15.

15 b. Low-income property tax credit and elderly and
16 disabled property tax credit pursuant to sections
17 425.16 through 425.40.

18 c. Family farm tax credit pursuant to chapter
19 425A.

20 d. Agricultural land tax credit pursuant to
21 chapter 426.

22 e. Military service property tax credit and
23 exemption pursuant to chapter 426A.

24 Sec. 202. NEW SECTION. 25B.8 LOCAL GOVERNMENT
25 ASSISTANCE -- GENERAL ASSEMBLY VOTE REQUIREMENTS.

26 1. For the fiscal year beginning July 1, 2002, and
27 all subsequent fiscal years, the general assembly
28 shall not approve an increase in any maximum property
29 tax levy rate authorized by state law unless the
30 increased maximum property tax levy rate receives
31 approval of three-fifths of the members of each house
32 of the general assembly and a fiscal note prepared by
33 the legislative fiscal bureau is provided to members
34 of the general assembly and made available to the
35 general public identifying the impact of the increased
36 maximum property tax levy rate on property taxpayers
37 at least two legislative days before passage of the
38 legislation by either house.

39 2. For the fiscal year beginning July 1, 2002, and
40 all subsequent fiscal years, the general assembly
41 shall not approve a reduction in appropriations for
42 local government assistance unless the reduced
43 appropriation receives approval of three-fifths of the
44 members of each house of the general assembly and a
45 fiscal note prepared by the legislative fiscal bureau
46 is provided to members of the general assembly and
47 made available to the general public identifying the
48 impact of the reduced appropriation on property
49 taxpayers at least two legislative days before passage
50 of the legislation by either house.

H-8468

H-8468

Page 3

1 For the purposes of this section, "local government
2 assistance" means those revenues estimated to be
3 received by political subdivisions in the budget year
4 under chapter 426B, chapter 437A, subchapter II, and
5 section 257.1 as it relates to the regular program
6 foundation base per pupil and the special education
7 support services foundation base per pupil, and
8 sections 405A.3, 405A.4, 405A.10, and 427B.17 through
9 427B.19D, and amounts appropriated by the general
10 assembly for property tax relief first enacted for
11 fiscal years beginning on or after July 1, 2002."

12 2. Page 7, by inserting after line 37, the
13 following:

14 "Sec. 203. Section 331.401, subsection 1, Code
15 2001, is amended by adding the following new paragraph
16 after paragraph c:

17 NEW PARAGRAPH. cc. Establish a property tax
18 replacement fund in accordance with section 331.430A.

19 Sec. 204. Section 331.421, Code 2001, is amended
20 by adding the following new subsections:

21 NEW SUBSECTION. 1A. "Budget year" is the fiscal
22 year beginning during the calendar year in which a
23 budget is first certified.

24 NEW SUBSECTION. 2A. "Current fiscal year" is the
25 fiscal year ending during the calendar year in which a
26 budget is first certified.

27 NEW SUBSECTION. 5A. "Fee-supported services"
28 means those services provided to political
29 subdivisions or residents of political subdivisions,
30 other than the county providing the service, for a fee
31 pursuant to an agreement entered into under chapter
32 28E regardless of whether such services are also
33 provided to residents of the unincorporated area of
34 the county providing the service.

35 NEW SUBSECTION. 7A. "Item" means a budgeted
36 expenditure, appropriation, or cash reserve from a
37 fund for a service area, program, program element, or
38 purpose.

39 NEW SUBSECTION. 7B. "Previous fiscal year" is the
40 fiscal year ending during the calendar year previous
41 to the calendar year in which a budget is first
42 certified.

43 Sec. 205. Section 331.421, subsections 7 and 8,
44 Code 2001, are amended to read as follows:

45 7. "General county services" means the services
46 which that are primarily intended to benefit all
47 residents of a county, including secondary road
48 services and fee-supported services, and the services
49 that are provided to persons residing in the
50 incorporated areas of the county, but excluding

H-8468

H-8468

Page 4

1 services financed by other statutory funds.
2 8. "Rural county services" means the services
3 ~~which~~ that are primarily intended to benefit those
4 persons residing in the county outside of incorporated
5 ~~city~~ areas, including those services that are
6 incidentally provided to persons residing in the
7 incorporated areas of the county. "Rural county
8 services" includes secondary road services as taxed
9 and appropriated for under section 331.429, but
10 ~~excluding~~ excludes services financed by other
11 statutory funds. "Rural county services" does not
12 include fee-supported services provided primarily to
13 residents of a city.

14 Sec. 206. Section 331.422, unnumbered paragraph 1,
15 Code 2001, is amended to read as follows:

16 Subject to this section and sections 331.423
17 through ~~331.426~~ 331.425 or as otherwise provided by
18 state law, the board of each county shall certify
19 property taxes annually at its March session to be
20 levied for county purposes as follows:

21 Sec. 207. Section 331.424A, subsection 4, Code
22 Supplement 2001, is amended to read as follows:

23 4. For the fiscal year beginning July 1, 1996, and
24 for each subsequent fiscal year, the county shall
25 certify a levy for payment of services. For each
26 fiscal year, county revenues from taxes imposed by the
27 county credited to the services fund shall not exceed
28 an amount equal to the amount of base year
29 expenditures for services as defined in section
30 331.438, less the amount of property tax relief to be
31 received pursuant to section 426B.2, in the fiscal
32 year for which the budget is certified. The county
33 auditor and the board of supervisors shall reduce the
34 amount of the levy certified for the services fund by
35 the amount of property tax relief to be received. A
36 levy certified under this section is not subject to
37 ~~the appeal provisions of sections 331.426 and 444.25B~~
38 ~~or to~~ any other provision in law authorizing a county
39 to exceed, increase, or appeal a property tax levy
40 limit.

41 Sec. 208. Section 331.425, unnumbered paragraph 1,
42 Code 2001, is amended to read as follows:

43 The board may certify an addition to a levy in
44 excess of the amounts otherwise permitted under
45 sections 331.423, and 331.424, ~~and 331.426~~ if the
46 proposition to certify an addition to a levy has been
47 submitted at a special levy election and received a
48 favorable majority of the votes cast on the
49 proposition. A special levy election is subject to
50 the following:

H-8468

-4-

H-8468

Page 5

1 Sec. 209. Section 331.427, subsection 2, Code
2 Supplement 2001, is amended by adding the following
3 new paragraph:

4 NEW PARAGRAPH. n. Salary costs and expenses
5 incurred in the performance of all law enforcement
6 responsibilities including, but not limited to, the
7 following:

8 (1) Law enforcement services provided by the
9 sheriff, as defined in section 331.101.

10 (2) Expenses incurred by the sheriff pursuant to
11 section 331.322 or chapter 34.

12 (3) Salaries, benefits, and expenses related to
13 law enforcement positions established pursuant to
14 section 331.323, subsection 2, and section 331.904,
15 subsection 2.

16 (4) Powers and duties performed by the sheriff
17 pursuant to sections 331.651 through 331.661.

18 (5) Powers and duties performed by the sheriff
19 pursuant to chapters 356 and 356A.

20 Sec. 210. Section 331.428, subsection 3, Code
21 2001, is amended to read as follows:

22 3. Appropriations specifically authorized to be
23 made from the rural services fund shall not be made
24 from the general fund, but may be made from other
25 sources. Appropriations for services made from the
26 general fund for the current fiscal year or previous
27 fiscal year shall not be made from the rural services
28 fund for the budget year.

29 Sec. 211. NEW SECTION. 331.430A PROPERTY TAX
30 REPLACEMENT CREDIT.

31 1. Property tax replacement dollars received by
32 the county shall be credited to the property tax
33 replacement fund. The board shall not levy property
34 taxes for or make appropriations from the property tax
35 replacement fund other than as provided in this
36 section.

37 2. a. The county auditor shall reduce the
38 certified tax levy for the general fund received from
39 the board of supervisors for the budget year by an
40 amount equal to the amount in the property tax
41 replacement fund designated or allocated for
42 countywide property tax relief. The auditor shall
43 calculate the tax rate after the countywide property
44 tax replacement amount is applied to the certified
45 levy.

46 b. The county auditor shall reduce the certified
47 tax levy for the rural services fund received from the
48 board of supervisors for the budget year by an amount
49 equal to the amount in the property tax replacement
50 fund designated or allocated for property tax relief

H-8468

-5-

H-8468

Page 6

1 in the unincorporated area. The auditor shall
2 calculate the tax rate after the property tax
3 replacement amount is applied to the certified levy.
4 c. Amounts deposited in the property tax
5 replacement fund not specifically designated or
6 allocated for countywide property tax relief or for
7 property tax relief in the unincorporated area shall
8 be credited to the general fund in the proportion that
9 the total taxable valuation in the county bears to the
10 sum of the total taxable valuation in the county and
11 the taxable valuation in the unincorporated area of
12 the county and shall be credited to the rural services
13 fund in the proportion that the taxable valuation in
14 the unincorporated area of the county bears to the sum
15 of the total taxable valuation in the county and the
16 taxable valuation in the unincorporated area of the
17 county.

18 3. On the tax list, the county auditor shall
19 compute the amount of taxes due and payable on each
20 parcel before and after the amount received from the
21 property tax replacement fund is used to reduce the
22 county levy. The amounts shall be computed separately
23 for the general fund and rural services fund. The
24 amount of property tax dollars reduced on each parcel
25 as a result of the moneys received from the property
26 tax replacement, if applicable, shall be noted on each
27 tax statement prepared by the county treasurer
28 pursuant to section 445.23.

29 4. As used in this section, "property tax
30 replacement dollars" means revenues estimated to be
31 received in the budget year under chapter 422B that
32 are designated to be allocated for property tax relief
33 and amounts appropriated by the general assembly for
34 property tax relief first enacted for fiscal years
35 beginning on or after July 1, 2002. The amount of
36 property tax replacement dollars for the budget year
37 shall be adjusted to reflect revenue corrections or
38 reconciliation made during the current fiscal year for
39 the previous fiscal year.

40 Sec. 212. Section 331.434, unnumbered paragraph 1,
41 Code 2001, is amended to read as follows:

42 Annually, the board of each county, subject to
43 sections 331.423 through ~~331.426~~ 331.425 and other
44 applicable state law, shall prepare and adopt a
45 budget, certify taxes, and provide appropriations as
46 follows:

47 Sec. 213. Section 331.434, Code 2001, is amended
48 by adding the following new subsection:

49 NEW SUBSECTION. 8. a. Budgeted ending fund
50 balances for a budget year in excess of twenty-five

H-8468

H-8468

Page 7

1 percent of budgeted expenditures in either the general
2 fund or rural services fund for that budget year shall
3 be explicitly reserved or designated for a specific
4 purpose and specifically described in the certified
5 budget. The certified budget for the budget year
6 shall include a description of any changes from the
7 current fiscal year to the explicitly reserved or
8 designated purpose for the excess ending fund balance
9 as specifically described in the certified budget.
10 For purposes of this section, ending fund balances
11 shall be determined either on a cash basis or an
12 accrual basis, whichever is consistent with the method
13 used for the county's budget. The description shall
14 include the projected date that the expenditures will
15 be appropriated for the specific purpose. Budgeted
16 ending fund balances reserved or designated shall only
17 be used for the purpose specifically described in the
18 certified budget. The certified budget shall not be
19 amended for the purpose of changing the specific
20 purpose after the budget year begins.

21 b. In a protest to the county budget under section
22 331.436, the county shall have the burden of proving
23 that the budgeted ending fund balances in excess of
24 twenty-five percent are reasonably likely to be
25 appropriated for the explicitly reserved or designated
26 specific purpose by the date identified in the
27 certified budget.

28 c. The budgeted ending fund balance in excess of
29 twenty-five percent of expenditures for the general
30 fund or rural services fund shall be considered an
31 increase in an item in the budget for purposes of
32 section 24.28. The state appeal board may certify a
33 decision in accordance with section 24.32 that
34 requires a reduction in the budgeted ending fund
35 balance for a particular fund.

36 d. For purposes of this subsection, "budgeted
37 expenditures" does not include transfers from the
38 general fund or the rural services fund.

39 Sec. 214. Section 331.435, unnumbered paragraph 1,
40 Code 2001, is amended to read as follows:

41 The board may amend the adopted county budget,
42 subject to sections 331.423 through ~~331.426~~ 331.425
43 and other applicable state law, to permit increases in
44 any class of proposed expenditures contained in the
45 budget summary published under section 331.434,
46 subsection 3.

47 Sec. 215. Section 333A.2, subsection 1, unnumbered
48 paragraph 1, Code 2001, is amended to read as follows:

49 ~~There is created a~~ A county finance committee is
50 created consisting of ~~eight~~ ten members. The members

H-8468

H-8468

Page 8

1 of the committee shall be:

2 Sec. 216. Section 333A.2, subsection 1, Code 2001,
3 is amended by adding the following new paragraph:

4 NEW PARAGRAPH. e. Two persons who are not elected
5 officials or employed by a political subdivision and
6 who pay property taxes on land located in the
7 unincorporated area of a county. One property
8 taxpayer shall reside in a county with a population of
9 twenty-two thousand five hundred or less and one
10 property taxpayer shall reside in a county with a
11 population of more than twenty-two thousand five
12 hundred. The governor shall select and appoint the
13 property taxpayers, subject to the approval of two-
14 thirds of the members of the senate."

15 3. Page 11, by inserting after line 46 the
16 following:

17 "Sec. 217. Section 422B.1, subsection 3, Code
18 2001, is amended to read as follows:

19 3. A local option tax shall be imposed only after
20 an election at which a majority of those voting on the
21 question favors imposition and shall then be imposed
22 until repealed as provided in subsection ~~6, paragraph~~
23 ~~"a" 9, as applicable. If the tax is a local vehicle~~
24 ~~tax imposed by a county, it shall apply to all~~
25 ~~incorporated and unincorporated areas of the county.~~
26 ~~If the tax is a~~ A local sales and services option tax
27 imposed by a county, ~~it~~ shall only apply to those
28 incorporated areas and the unincorporated area of that
29 county in which a majority of those voting in the area
30 on the tax favors its imposition. For purposes of the
31 local ~~sales and services option~~ tax, all cities
32 contiguous to each other shall be treated as part of
33 one incorporated area and the tax would be imposed in
34 each of those contiguous cities only if the majority
35 of those voting in the total area covered by the
36 contiguous cities favors its imposition. For purposes
37 of the local ~~sales and services option~~ tax, a city is
38 not contiguous to another city if the only road access
39 between the two cities is through another state.

40 Sec. 218. Section 422B.1, subsection 4, Code 2001,
41 is amended to read as follows:

42 4. a. A county board of supervisors shall direct
43 within thirty days the county commissioner of
44 elections to submit the question of imposition of a
45 ~~local vehicle tax or a local sales and services option~~
46 tax to the registered voters of the incorporated and
47 unincorporated areas of the county upon receipt of a
48 petition, requesting imposition of a ~~local vehicle tax~~
49 ~~or a local sales and services option~~ tax, signed by
50 eligible electors of the whole county equal in number

H-8468

-8-

H-8468

Page 9

1 to ~~five~~ ten percent of the persons in the whole county
2 who voted at the last preceding state general
3 election. ~~In the case of a local vehicle tax, the~~
4 ~~petition requesting imposition shall specify the rate~~
5 ~~of tax and the classes, if any, that are to be exempt.~~
6 If a valid petition for imposition of a local option
7 tax is received no later than thirty days after a
8 motion is adopted, the contents of the petition shall
9 be used on the ballot. If more than one valid
10 petition is received, the earliest received petition
11 shall be used.

12 b. The question of the imposition of a local ~~sales~~
13 ~~and services option~~ tax shall be submitted to the
14 registered voters of the incorporated and
15 unincorporated areas of the county upon receipt by the
16 county commissioner of elections of the motion or
17 motions, requesting such submission, adopted by the
18 governing body or bodies of the city or cities located
19 within the county or of the county, for the
20 unincorporated areas of the county, representing at
21 least one half of the population of the county. A
22 motion may only be made by a governing body one time
23 in each six-month period. Upon adoption of such
24 motion, the governing body of the city or county, for
25 the unincorporated areas, shall submit the motion to
26 the county commissioner of elections and in the case
27 of the governing body of the city shall notify the
28 board of supervisors of the adoption of the motion.
29 The county commissioner of elections shall keep a file
30 on all the motions received and, upon reaching the
31 population requirements, shall publish notice of the
32 ballot proposition concerning the imposition of the
33 local ~~sales and services option~~ tax. A motion ceases
34 to be valid at the time of the holding of the regular
35 election for the election of members of the governing
36 body which adopted the motion. The county
37 commissioner of elections shall eliminate from the
38 file any motion that ceases to be valid. The manner
39 provided under this paragraph for the submission of
40 the question of imposition of a local ~~sales and~~
41 ~~services option~~ tax is an alternative to the manner
42 provided in paragraph "a", unless a valid petition is
43 received no later than thirty days after the
44 population requirements of this paragraph have been
45 reached and, in that case, the contents of the
46 petition shall be used on the ballot. Notwithstanding
47 any contrary provisions in this chapter, an election
48 may only be held one time in each six-month period for
49 each incorporated area or for the unincorporated area.

50 Sec. 219. Section 422B.1, subsection 5, Code 2001,

H-8468

H-8468

Page 10

1 is amended to read as follows:

2 5. The county commissioner of elections shall
3 submit the question of imposition of a local option
4 tax at a state general election or at a special
5 election held at any time other than the time of a
6 city regular election. The election shall not be held
7 sooner than sixty days after publication of notice of
8 the ballot proposition. The ballot proposition shall
9 specify the type and rate of tax and ~~in the case of a~~
10 ~~vehicle tax the classes that will be exempt and in the~~
11 ~~case of a local sales and services tax the date it~~
12 ~~will be imposed which date shall not be earlier than~~
13 ~~ninety days following the election.~~ The ballot
14 proposition shall also specify the approximate amount
15 of local option tax revenues that will be used for
16 property tax relief and shall contain a statement as
17 to the specific purpose or purposes for which the
18 revenues shall otherwise be expended. If the county
19 board of supervisors ~~decides under subsection 6 to~~
20 specify or the petition specifies a date on which the
21 local option ~~sales and services tax shall~~
22 automatically be repealed, the date of the repeal
23 shall also be specified on the ballot. ~~The rate of~~
24 ~~the vehicle tax shall be in increments of one dollar~~
25 ~~per vehicle as set by the petition seeking to impose~~
26 ~~the tax. The rate of a local sales and services tax~~
27 ~~shall not be more than one percent as set by the~~
28 ~~governing body.~~ If a petition is received, the
29 directions provided to the commissioner of elections
30 by the board of supervisors as to the content of the
31 ballot shall be substantially similar to the content
32 of the petition, including revenue allocation and
33 repeal date. The state commissioner of elections
34 shall establish by rule the form for the ballot
35 proposition which form shall be uniform throughout the
36 state.

37 Sec. 220. Section 422B.1, subsection 6, Code 2001,
38 is amended by striking the subsection and inserting in
39 lieu thereof the following:

40 6. a. If a majority of those voting on the
41 question of imposition of the local option tax favors
42 imposition of the local option tax, the governing body
43 of that county shall impose the tax at the rate
44 specified for an unlimited period unless a date of
45 repeal is indicated on the ballot. However, in the
46 case of a local option tax, the county shall not
47 impose the tax in any incorporated area or the
48 unincorporated area if the majority of those voting on
49 the tax in that area did not favor its imposition.
50 The revenues from the local option tax shall be

H-8468

-10-

H-8468

Page 11

1 expended in the use and in the manner specified on the
2 most recent ballot receiving majority approval of the
3 incorporated or unincorporated area, as appropriate.

4 b. Within ten days of the election at which a
5 majority of those voting on the question favors the
6 imposition, repeal, or change in use of a local option
7 tax, the county auditor shall give written notice by
8 sending a copy of the abstract of the votes from the
9 favorable election to the director of revenue and
10 finance.

11 Sec. 221. Section 422B.1, subsection 7, unnumbered
12 paragraph 1, Code 2001, is amended by striking the
13 unnumbered paragraph.

14 Sec. 222. Section 422B.1, subsection 8, Code 2001,
15 is amended to read as follows:

16 8. ~~Local~~ The local option ~~taxes~~ tax authorized to
17 be imposed as provided in this chapter ~~are~~ is a local
18 sales and services tax ~~and a local vehicle tax~~. The
19 ~~rate of the tax shall be in increments of one dollar~~
20 ~~per vehicle for a vehicle tax as set on the petition~~
21 ~~seeking to impose the vehicle tax~~. The rate of a
22 local sales and services tax shall not be more than
23 one percent as set by the governing body.

24 Sec. 223. Section 422B.1, subsection 9, Code 2001,
25 is amended by striking the subsection and inserting in
26 lieu thereof the following:

27 9. a. A local option tax is repealed on the date
28 specified on the ballot which imposed the tax. If the
29 ballot proposition did not specify a date for the
30 repeal, a local option tax shall be repealed as
31 provided in this subsection. The use of the revenues
32 from a local option tax may be changed as provided in
33 this subsection.

34 b. The board of supervisors shall repeal the local
35 option tax in the unincorporated areas or in an
36 incorporated area in which the tax has been imposed,
37 thirty days after adoption by the board of supervisors
38 of its own motion for repeal in the unincorporated
39 areas or thirty days after receipt by the board of
40 supervisors of a motion adopted by the governing body
41 of that incorporated area requesting repeal, unless a
42 petition containing the required number of signatures
43 is received by the board of supervisors, within thirty
44 days of the adoption or receipt of the motion for
45 repeal, seeking an election on the approval or
46 disapproval of the repeal of the local option tax.
47 The petition shall be signed by eligible electors of
48 the unincorporated or incorporated area of the county
49 where the tax is to be repealed equal in number to ten
50 percent of the persons in the unincorporated or

H-8468

-11-

H-8468

Page 12

1 incorporated area of the county where the tax is to be
2 repealed who voted at the last preceding state general
3 election. Upon receipt of a petition seeking an
4 election on the question of repeal, the board of
5 supervisors or governing body of the incorporated area
6 shall, within thirty days following receipt of the
7 petition, either rescind its action to repeal or
8 direct the county commissioner of elections to submit
9 the question of approval or disapproval of the repeal
10 of the tax to the registered voters of the area where
11 the tax is to be repealed. The board of supervisors
12 shall repeal the local option tax effective as
13 provided in section 422B.9, subsection 1, following
14 the expiration of the thirty days allowed for
15 submission of a petition after the board of
16 supervisors adopted the repeal motion or the motion
17 for repeal was received. If the question of repeal is
18 submitted to the registered voters, the board of
19 supervisors shall repeal the local option tax as
20 provided in section 422B.9, subsection 1, following a
21 favorable election. For purposes of this subsection,
22 incorporated area includes any incorporated city which
23 is contiguous to another incorporated city.

24 c. The use of the local option tax revenues may be
25 changed as follows:

26 (1) The governing body of the incorporated area or
27 the board of supervisors for the unincorporated area
28 where the local option tax is imposed may, upon its
29 own motion, request the county commissioner of
30 elections to hold an election in the incorporated or
31 unincorporated area, as applicable, on the question of
32 the change in use of local option tax revenues. The
33 county commissioner of elections shall submit the
34 question on the change of use to the registered voters
35 of the incorporated or unincorporated area, as
36 applicable. The election shall be held as provided in
37 this subsection and subsection 5 for the imposition of
38 a local option tax.

39 (2) A county board of supervisors shall direct the
40 county commissioner of elections to submit the
41 question of change of use of a local option tax
42 revenues to the registered voters of the incorporated
43 or unincorporated areas of the county, as applicable,
44 within thirty days of receipt of a petition requesting
45 the change in use of local option tax revenues, signed
46 by eligible electors of the incorporated or
47 unincorporated area of the county where the change in
48 use is to occur equal in number to ten percent of the
49 persons in the incorporated or unincorporated area of
50 the county where the change in use is to occur who

H-8468

-12-

H-8468

Page 13

1 voted at the last preceding state general election.
2 The election shall be held as provided in this
3 subsection and subsection 5 for the imposition of a
4 local option tax.

5 (3) If more than one petition meeting the
6 requirements of this subsection for holding an
7 election on the change in use of a local option tax is
8 received, the earliest received petition shall be
9 used.

10 (4) The ballot proposition for a change in use
11 shall list the present use of the revenues, the
12 proposed use, and the date of the beginning of the
13 fiscal year on and after which revenues received will
14 be used for the new use. If a petition for a change
15 in use of a local option tax is received no later than
16 thirty days after a motion is adopted, the contents of
17 the petition shall be used on the ballot.

18 Notwithstanding any contrary provisions in this
19 chapter, an election may only be held one time in each
20 six-month period for each incorporated area or for the
21 unincorporated area. If a majority of those voting in
22 the incorporated or unincorporated area on the change
23 in use favors the change, the governing body of the
24 incorporated or unincorporated area shall change the
25 use of the local option tax beginning with the fiscal
26 year following the fiscal year in which the election
27 approving the change in use occurred.

28 (5) Notwithstanding subparagraph (4), the
29 governing body of the incorporated or unincorporated
30 area may change the use of the local option tax
31 beginning January 1 if a majority of those voting in
32 the incorporated or unincorporated area on the change
33 in use favors the change or if the governor has
34 declared a state of emergency or disaster covering the
35 incorporated or unincorporated area and the change in
36 use is for a capital project required as a result of
37 the emergency or disaster.

38 Sec. 224. Section 422B.1, subsection 10, Code
39 2001, is amended to read as follows:

40 10. Notwithstanding subsection 9 or any other
41 contrary provision of this chapter, a local option
42 ~~sales and services~~ tax shall not be repealed or
43 ~~reduced in rate~~ its use changed and an election shall
44 not be held on the question of repeal or change in use
45 if obligations are outstanding which are payable as
46 provided in section 422B.12, unless the change in use
47 is proposed for the portion of the local option tax
48 for which obligations payable as provided in section
49 422B.12 are not outstanding or funds sufficient to pay
50 the principal, interest, and premium, if any, on the

H-8468

H-8468

Page 14

1 outstanding obligations at and prior to maturity have
2 been properly set aside and pledged for that purpose.
3 A governing body shall not incur obligations of its
4 allocation under section 422B.10 or 422B.12 or
5 obligate local option tax revenues in any other manner
6 before the imposition of the local option tax has been
7 approved and shall not incur obligations or obligate
8 revenues after receipt of a petition requesting repeal
9 or change in use of the local option tax until the
10 question on the repeal or change in use has been voted
11 on."

12 4. Page 12, by inserting after line 15 the
13 following:

14 "Sec. 225. Section 441.50, Code 2001, is amended
15 to read as follows:

16 441.50 APPRAISERS EMPLOYED.

17 The conference board shall have power to employ or
18 contract with appraisers or other technical or expert
19 help to assist in the valuation of property, the cost
20 thereof to be paid in the same manner as other
21 expenses of the assessor's office. The conference
22 board may certify for levy annually an amount not to
23 exceed forty and one-half cents per thousand dollars
24 of assessed value of taxable property for the purpose
25 of establishing a special appraiser's fund, to be used
26 only for ~~such~~ the purposes described in this section.
27 From time to time the conference board may direct the
28 transfer of any unexpended balance in the special
29 appraiser's fund to the assessment expense fund.

30 Sec. 226. Section 445.5, subsection 1, Code 2001,
31 is amended by adding the following new paragraph:

32 NEW PARAGRAPH. j. The information required
33 pursuant to section 331.430A, subsection 3.

34 Sec. 227. Sections 24.48, 331.426, 422B.2, 422B.3,
35 and 422B.4, Code 2001, are repealed."

36 5. Page 12, by inserting after line 49 the
37 following:

38 "3. Sections 200 through 227 of this Act, being
39 deemed of immediate importance, take effect upon
40 enactment and apply to the fiscal year beginning July
41 1, 2002, and all subsequent fiscal years.""

42 6. Page 12, by inserting before line 50 the
43 following:

44 "____. Title page, line 1, by inserting after the
45 word "to" the following: "local taxes and budgeting
46 practices, including"."

47 7. Page 13, line 1, by inserting after the word
48 "and" the following: "utilization".

49 8. Page 13, line 4, by inserting after the word
50 "electorate," the following: "creating a property tax

H-8468

-14-

H-8468

Page 15

1 replacement fund for counties,".

2 9. Page 13, line 5, by inserting after the word

3 "date" the following: "and applicability date".

By SIEVERS of Scott

H-8468 FILED MARCH 27, 2002

o/o

3/28/02

SENATE FILE 2228

H-8469

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. By striking everything after the amending
4 clause and inserting the following:

5 "____. Page 1, by inserting before line 1 the
6 following:

7 "Section 1. NEW SECTION. 99F.11A ADDITIONAL
8 WAGERING TAX.

9 1. Beginning January 1, 2003, in addition to the
10 tax imposed in section 99F.11, a tax is imposed on the
11 adjusted gross receipts in excess of three million
12 dollars received annually by an excursion gambling
13 boat at the rate of fourteen percent for the 2003
14 calendar year and at the rate of sixteen percent for
15 the 2004 and subsequent calendar years. The taxes
16 shall be paid to the treasurer of state within ten
17 days of each gambling day.

18 2. The amount of the additional adjusted gross
19 receipts tax imposed under subsection 1 shall be
20 deposited into the school district wagering tax fund
21 created in section 293.1.

22 Sec. _____. NEW SECTION. 293.1 SCHOOL DISTRICT
23 WAGERING TAX FUND.

24 1. A school district wagering tax fund is created
25 as a separate and distinct fund in the state treasury
26 under the control of the department of education.
27 Moneys in the fund include revenues credited to the
28 fund pursuant to section 99F.11A, subsection 2,
29 appropriations made to the fund, and other moneys
30 deposited into the fund. The moneys credited in a
31 fiscal year to the fund shall be distributed as
32 provided in subsection 2.

33 2. a. Moneys in the school district wagering tax
34 fund shall be distributed to school districts not
35 receiving moneys from a local sales and services tax
36 for school infrastructure purposes under chapter 422E
37 on a per student basis calculated by the director of
38 the department of education by dividing the moneys
39 available during the previous calendar quarter by the
40 combined actual enrollment for all school districts
41 receiving distributions under this subsection.

42 b. The combined actual enrollment for school
43 districts, for purposes of paragraph "a", shall be
44 calculated by adding together the actual enrollment
45 for each school district receiving distributions under
46 paragraph "a" as determined by the department of
47 management based on the actual enrollment figures
48 reported by October 1 to the department of management
49 by the department of education pursuant to section
50 257.6, subsection 1.

H-8469

-1-

H-8469

Page 2

1 3. A school district receiving moneys from a local
2 sales and services tax for school infrastructure
3 purposes under chapter 422E shall be entitled to
4 receive moneys pursuant to subsection 2 beginning with
5 the first fiscal year following repeal of the local
6 sales and services tax under chapter 422E.

7 Sec. ____ NEW SECTION. 293.2 USE OF SCHOOL
8 DISTRICT WAGERING TAX FUND MONEYS.

9 1. a. Moneys received by a school district from
10 the school district wagering tax fund under section
11 293.1, subsection 2, shall be spent for infrastructure
12 purposes according to an infrastructure plan developed
13 by the board of directors. The infrastructure plan
14 may apply to more than one fiscal year, but shall be
15 reviewed periodically by the board of directors.
16 Prior to adoption of the plan, the board of directors
17 shall hold a public hearing on the question of
18 approval of the proposed plan. The board shall set
19 forth its proposal and shall publish the notice of the
20 time and place of a public hearing on the proposed
21 plan. Notice of the time and place of the public
22 hearing shall be published not less than ten nor more
23 than twenty days before the public hearing in a
24 newspaper which is a newspaper of general circulation
25 in the school district. At the hearing, or no later
26 than thirty days after the date of the hearing, the
27 board shall take action to adopt the proposed plan.

28 b. If the board adopts the plan, the board shall
29 direct the county commissioner of elections to submit
30 the question of the approval or disapproval of the
31 infrastructure plan to the registered voters of the
32 school district at the next following regular school
33 election or a special election. If a majority of
34 those voting on the question favor the plan of the
35 board, the moneys received shall be used according to
36 the plan beginning with the first fiscal year
37 following that election until a change in the plan is
38 approved at a subsequent election by a majority of
39 those voting on the question. If a majority of those
40 voting on the question at the election does not favor
41 the plan of the board, the district shall use the
42 moneys received as provided in paragraph "c" for the
43 fiscal year.

44 c. If the infrastructure plan is not approved at
45 an election as provided in paragraph "b", or if a plan
46 is not approved by the board, moneys received by a
47 school district or moneys in excess of those needed
48 for infrastructure purposes according to an approved
49 plan shall be maintained in a separate fund set up by
50 the board and shall only be used for purposes of an

H-8469

H-8469

Page 3

1 approved infrastructure plan.
 2 2. For purposes of this subsection,
 3 "infrastructure purposes" means those purposes for
 4 which a school district is authorized to contract
 5 indebtedness and issue general obligation bonds under
 6 chapter 296 or to expend tax revenues under section
 7 298.3, the payment of principal and interest on
 8 general obligation bonds issued under chapter 296 or
 9 section 298.20 or loan agreements under section
 10 297.36, payments made pursuant to a real property
 11 lease or lease-purchase agreement."
 12 _____. Title page, line 2, by inserting after the
 13 word "purposes" the following: "and of school
 14 district moneys received from the increase in the
 15 wagering tax"."

By FALLON of Polk

H-8469 FILED MARCH 28, 2002

0/0
3/28/02
(P.1081)

SENATE FILE 2228

H-8472

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 1, by inserting after line 2, the
4 following:

5 "____. Page 1, by inserting before line 1, the
6 following:

7 "Section 1. Section 12.82, subsection 1, Code
8 Supplement 2001, is amended to read as follows:

9 1. A school infrastructure fund is created and
10 established as a separate and distinct fund in the
11 state treasury under the control of the department of
12 education. The fund shall be used for purposes of the
13 school infrastructure program established in section
14 292.2 or for the purposes specified in subsection 5,
15 as applicable.

16 Sec. _____. Section 12.82, Code Supplement 2001, is
17 amended by adding the following new subsection:

18 NEW SUBSECTION. 5. Beginning January 1, 2003,
19 chapter 292 shall not apply to the distribution and
20 use of the moneys in the school infrastructure fund.
21 Moneys in the school infrastructure fund shall be
22 distributed to all school districts on a per pupil
23 basis. In computing the per pupil amount for each
24 school district, the department of education shall use
25 the same actual enrollment figures that are used for
26 purposes of computing the combined actual enrollment
27 for school districts in a county as provided in
28 section 298B.1, subsection 1, paragraph "b",
29 subparagraph (2).

30 The moneys received by a school district from the
31 school infrastructure fund shall only be used for
32 school infrastructure purposes. For the purposes of
33 this subsection, "school infrastructure" means
34 activities authorized in section 296.1 but does not
35 include those activities related to stadiums, bus
36 barns, a home or homes of a teacher or superintendent,
37 procuring and improving a site for an athletic field,
38 or improving a site already owned for an athletic
39 field.""

40 2. Page 1, line 14, by inserting after the word
41 "fund" the following: "shall be transferred as
42 provided in subsection 3A and after such transfer the
43 remaining moneys".

44 3. Page 3, by inserting after line 48 the
45 following:

46 "3A. There shall be transferred from the moneys
47 credited in a fiscal year to the school district sales
48 tax fund to the general fund of the state the sum of
49 twenty million dollars for the fiscal year beginning
50 July 1, 2002. The twenty million dollars so

H-8472

-1-

H-8472

Page 2

1 transferred is appropriated to the department of
2 education for continued support of the student
3 achievement and teacher quality program in accordance
4 with section 284.13."

By GRUNDBERG of Polk

H-8472 FILED MARCH 28, 2002

*o/o
3/28/02 (p.1081)*

SENATE FILE 2228

H-8473

1 Amend the amendment, H-8422, to Senate File 2228,
2 as passed by the Senate, as follows:

3 1. Page 1, by inserting before line 3, the
4 following:

5 "____. Page 1, by inserting before line 1, the
6 following:

7 "Section 1. NEW SECTION. 73A.22 SPECIFIC
8 PRODUCTS IN PLANS OR SPECIFICATIONS PROHIBITED.

9 1. Plans or specifications for a public
10 improvement shall not specify, endorse, or recommend
11 the use of a specific product or brand of product
12 unless the plans or specifications state the test or
13 standard by which the product is demonstrated to be
14 superior or unless equivalent products or brands are
15 also listed in the plans or specifications, or unless
16 a separate performance specification is prepared.

17 2. For purposes of this section, "public
18 improvement" means a public improvement as defined in
19 section 73A.1 and includes road construction,
20 reconstruction, and maintenance projects.

21 3. This section applies to the state, its
22 agencies, and any political subdivisions of the state.

23 4. If it is determined that application of this
24 section may cause denial of federal funds that would
25 otherwise be available, or would otherwise be
26 inconsistent with requirements of federal law, this
27 section shall be suspended, but only to the extent
28 necessary to prevent denial of the funds or to
29 eliminate the inconsistency with federal
30 requirements.""

31 2. Page 12, by inserting before line 50, the
32 following:

33 "____. Title page, line 1, by inserting after the
34 word "to" the following: "public improvements,
35 including plans or specifications for public
36 improvements,.""

37 3. Page 13, line 1, by inserting after the word
38 "and" the following: "utilization".

39 4. By renumbering as necessary.

By SHEY of Linn

H-8473 FILED MARCH 28, 2002

*o/o
3/28/02*

S-5402

1 Amend the House amendment, S-5280, to Senate File
2 2228, as passed by the Senate, as follows:
3 1. Page 1, by striking line 3 and inserting the
4 following:
5 "_____. Page 1, by striking line 3 and inserting
6 the following:
7 "3. The purchase of buildings and the purchase,
8 lease, or lease-purchase of a single."

By DONALD B. REDFERN
NANCY BOETTGER

S-5402 FILED APRIL 8, 2002
RULED OUT OF ORDER

(P 998)

SENATE FILE 2228

S-5405

1 Amend the House amendment, S-5280, to Senate File
2 2228, as passed by the Senate, as follows:
3 1. Page 1, by inserting after line 2 the
4 following:
5 "_____. Page 1, by striking line 3 and inserting
6 the following:
7 "3. The purchase of buildings and the purchase,
8 lease, or lease-purchase of a single."
9 2. By renumbering as necessary.

By DONALD B. REDFERN
NANCY BOETTGER

S-5405 FILED APRIL 8, 2002
ADOPTED

(P. 998)

SENATE AMENDMENT TO HOUSE AMENDMENT TO SENATE FILE 2228

H-8543

1 Amend the House amendment, S-5280, to Senate File
2 2228, as passed by the Senate, as follows:
3 1. Page 1, by inserting after line 2 the
4 following:
5 "_____. Page 1, by striking line 3 and inserting
6 the following:
7 "3. The purchase of buildings and the purchase,
8 lease, or lease-purchase of a single."
9 2. By renumbering as necessary.

RECEIVED FROM THE SENATE

House Concurred 4-9-02
(P. 1219) H-8543 FILED APRIL 8, 2002

HOUSE AMENDMENT TO
SENATE FILE 2228

S-5280

1 Amend Senate File 2228, as passed by the Senate, as
2 follows:
3 1. Page 1, by striking lines 6 through 12.

RECEIVED FROM THE HOUSE

Senate Concurred 4-8-02 (P. 998)
S-5280 FILED APRIL 1, 2002

AN ACT
RELATING TO UTILIZATION OF SCHOOL DISTRICT MONEYS FOR PHYSICAL
PLANT AND EQUIPMENT LEVY PURPOSES.

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

Section 1. Section 298.3, subsection 3, Code 2001, is amended to read as follows:

3. The purchase of buildings and the purchase, lease, or lease-purchase of a single unit of equipment or a technology system exceeding one-thousand five hundred dollars in value.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2228, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved 4/22, 2002

THOMAS J. VILSACK
Governor

S.F. 2228