

stances for which the refund should be allowed is filed with the appropriate state agency within ~~one year~~ three years from the date of the payment of the taxes erroneously or illegally collected or paid.

Sec. 22. Sections 422.101, 422.102, 422.103, and 422.104, Code 2001, are repealed.

Sec. 23. Chapter 436, Code 2001, is repealed.

Approved May 6, 2002

CHAPTER 1151

TAX ADMINISTRATION — ADDITIONAL RELATED MATTERS

H.F. 2622

AN ACT relating to the administration of the tax and related laws by the department of revenue and finance, including administration of state individual income, corporate income, sales and use, property, motor fuel, special fuel, and inheritance taxes, directing a study, and including effective and retroactive applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 404.4, unnumbered paragraph 2, Code Supplement 2001, is amended to read as follows:

An application shall be filed for each new exemption claimed. The first application for an exemption shall be filed by the owner of the property with the governing body of the city or county in which the property is located by February 1 of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation, unless or the following two assessment years, in which case the exemption is allowed for the total number of years in the exemption schedule. ~~However,~~ upon the request of the owner at any time, the governing body of the city or county provides by resolution that the owner may file an application by February 1 of any other assessment year selected by the governing body in which case the exemption is allowed for the number of years remaining in the exemption schedule selected. The application shall contain, but not be limited to, the following information: The nature of the improvement, its cost, the estimated or actual date of completion, the tenants that occupied the owner's building on the date the city or county adopted the resolution referred to in section 404.2, subsection 1, and which exemption in section 404.3 or in the different schedule, if one has been adopted, will be elected.

Sec. 2. **NEW SECTION.** 421.17B ADMINISTRATIVE WAGE ASSIGNMENT COOPERATIVE AGREEMENT.

1. DEFINITIONS. As used in this section, unless the context otherwise requires:

a. "Employer" means any person or entity that pays an obligor to do a specific task. "Employer" only includes such a person or entity in an employer-employee relationship and does not include an obligor acting as a contractor, distributor, agent, or in any representative capacity in which the obligor receives any form of consideration.

b. "Employment" means the performance of personal services for another. "Employment" only includes parties in an employer-employee relationship and does not include one acting as a self-employer, contractor, distributor, agent, or in any representative capacity.

c. "Facility" means the centralized debt collection facility of the department of revenue and finance established pursuant to section 421.17, subsection 34.

d. "Obligor" means a person who is indebted to the state or a state agency for any delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state or indebtedness being collected by the state.

e. "Wage" means any form of compensation due to an obligor. "Wage" includes, but is not limited to, wages, salary, bonus, commission, or other payment directly or indirectly related to employment. If a wage is assigned to the facility, wage only includes a payment in the form of money.

2. PURPOSE AND USE.

a. Notwithstanding other statutory provisions which provide for the execution, attachment, garnishment, or levy against accounts, the facility may utilize the process established in this section to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the facility or being collected by the facility provided all administrative remedies have been waived or exhausted by the obligor. Any exemptions or exceptions which specifically apply to enforcement of such obligations also apply to this section.

Administrative wage assignment under this section is the equivalent of condemning funds under chapter 642.

The administrative wage assignment is to be considered an additional means of collection by the facility and not an exclusive means of collection. If the use of an administrative wage assignment is not successful in collecting an outstanding debt due the facility, the facility may use the collection provisions set forth in chapters 626 and 642.

b. An obligor is subject to this section if the obligor's debt is being collected by the facility.

c. Any amount forwarded to the facility by an employer under this section shall not exceed the delinquent or accrued amount of the obligor's debt being collected by the facility.

3. NOTICE TO THE OBLIGOR.

a. The facility may proceed under this section only if a ten-day notice has been provided to the obligor. Notice by the facility may be by regular mail to the last known address of the obligor, notifying the obligor that the obligor is subject to this section. If the facility determines that collection of the debt may be in jeopardy, the facility may request that the employer deliver notice of the wage assignment simultaneous with the remainder of or in lieu of the obligor's compensation due from the employer.

The facility may obtain one or more wage assignments of an obligor who is subject to this section. If the obligor has more than one employer, the facility may receive wage assignments from one or all of the employers until the full debt obligation of the obligor is satisfied. If an obligor has more than one employer, the facility shall give notice to all employers that the facility seeks to have an assignment of wages.

b. The notice from the facility to the obligor shall contain all of the following:

(1) The name and social security number of the obligor.

(2) A statement that the obligor is believed to have employment with the stated employer.

(3) A statement that pursuant to the provisions of this section, the obligor's wages will be assigned to the facility for payment of the specified debts and that the employer is authorized and required to forward moneys to the facility.

(4) The maximum amount to be forwarded by the employer, which shall not exceed the delinquent or accrued amount of debt being collected by or owed to the facility by the obligor.

(5) The prescribed time frames the employer must meet in forwarding any amounts.

(6) A statement that any challenge to the action must be in writing and must be received by the facility within ten days of the date of the notice to the obligor.

(7) The address of the facility and the account number utilized by the facility for the obligor.

(8) A telephone number, address, and contact name of the facility initiating the action.

4. VERIFICATION OF EMPLOYMENT AND IMMUNITY FROM LIABILITY.

a. The facility may contact an employer to obtain verification of employment, and any specific information from the employer that the facility needs to initiate, effectuate, or maintain collection of the obligation. Contact with an employer may be by telephone, fax, or by written

communication. The employer may require proof of authority from the person from the facility and the telephone number of the authorized person from the facility before releasing an obligor's employment information by telephone.

b. The employer is immune from any civil or criminal liability for information released by the employer to the facility pursuant to this section.

5. COSTS. The facility is not liable for any costs incurred or imposed for initiating, effectuating, or maintaining an administrative wage assignment under this section. Such costs will be the sole responsibility of the obligor and will be added to the amount to be collected by the facility.

6. ADMINISTRATIVE WAGE ASSIGNMENT — NOTICE TO THE EMPLOYER.

a. If an obligor is subject to this section, the facility may initiate an administrative wage assignment to have compensation due the obligor to be assigned by the employer to the facility up to the amount of the full debt to be collected by the facility.

b. The facility shall send a notice to the employer within fourteen days of sending notice of the wage assignment to the obligor. The notice shall inform the employer of the amount to be assigned to the facility from each wage, salary, or payment period that is due the obligor. The facility may receive assignment of up to one hundred percent of the obligor's disposable income, salary, or payment for any given period until the full obligation to the facility is paid in full.

c. The notice to the employer shall contain all of the following:

(1) The name and social security number of the obligor.

(2) A statement that the obligor is believed to be employed by the employer.

(3) A statement that pursuant to the provisions of this section, the obligor's wages are subject to assignment and the employer is authorized and required to forward moneys to the facility.

(4) The maximum amount that shall be forwarded by the employer, which shall not exceed the delinquent or accrued amount of debt being collected by or owed to the facility by the obligor.

(5) The prescribed time frame the employer must meet in forwarding any amounts.

(6) The address of the facility and the account number utilized by the facility for the obligor.

(7) A telephone number, address, and name of a contact person with the facility.

7. RESPONSIBILITIES OF EMPLOYER. Upon receipt of the notice of wage assignment from the facility, the employer shall do all of the following:

a. Immediately give effect to the wage assignment and hold compensation which the obligor has owing to the extent of the debt indicated in the notice from the facility.

b. No sooner than ten days, and no later than twenty days from the date the employer receives the notice of wage assignment, unless notified by the facility of a challenge of the wage assignment by the obligor, the employer shall begin forwarding the obligor's compensation, to the extent required in the notice, to the facility with the obligor's name and social security number, the facility's account number for the obligor, and any other information required in the notice.

c. The employer may assess a fee against the obligor, not to exceed twenty-five dollars, for forwarding of moneys to the facility. This fee is in addition to the amount owed to or being collected by the facility from the obligor. If insufficient moneys are available from the obligor's compensation to cover the fee and the amount in the notice, the employer may deduct the fee amount prior to forwarding moneys to the facility and the amount credited to the obligor's account with the facility shall be reduced by the fee amount. However, if the employer can present evidence to the facility that the employer's costs were in excess of twenty-five dollars and that such costs were necessary and reasonable, then the employer may impose a fee in excess of the twenty-five dollar fee limit.

8. CHALLENGES TO ACTION.

a. Challenges under this section may be initiated only by an obligor. An administrative wage assignment only occurs after the obligor has waived or exhausted administrative remedies. Reviews by the facility of a challenge to an administrative wage assignment are not

subject to chapter 17A unless the challenge is regarding the validity of the assignment. Actions under this section are in equity and not actions at law.

b. The obligor challenging the administrative wage assignment shall submit a written challenge to the person identified as the contact for the facility in the notice, within ten days of the date of the notice to the obligor.

c. The facility, upon receipt of a written challenge, shall review the facts of the case with the obligor within ten days of receipt of the challenge. If the obligor is not available for the review on the scheduled date, the review shall take place without the obligor being present. Information in favor of the obligor shall be considered by the facility in the review. The facility may utilize additional information if such information is available. Only a mistake of fact, including, but not limited to, a mistake in the identity of the obligor or a mistake in the amount owed to or being collected by the facility shall be considered as a reason to dismiss or modify the administrative wage assignment.

d. If the facility determines that a mistake of fact has occurred, the facility shall proceed as follows:

(1) If a mistake in identity has occurred or the obligor does not have a delinquent or accrued amount being collected by or owed to the facility, the facility shall notify the employer that the administrative wage assignment has been released. The facility shall provide a copy of the notice to the obligor by regular mail.

(2) If the delinquent or accrued amount being collected by or owed to the facility is less than the amount indicated in the notice, the facility shall provide a notice to the employer of the revised amount, with a copy of the original notice, and issue a notice to the obligor by regular mail. Upon written receipt of the notice from the facility, the employer shall release the funds in excess of the revised amount and forward the revised amount to the facility pursuant to the administrative wage assignment.

(3) Any moneys received by the facility in excess of the amount owed to or to be collected by the facility shall be returned to the obligor.

e. If the facility finds no mistake of fact, the facility shall provide a notice to that effect to the obligor by regular mail and notify the employer to forward the moneys pursuant to the administrative wage assignment.

f. The obligor shall have the right to file an action for wrongful assignment in district court within thirty days of the date of the notice to the obligor, either in the county where the obligor is located or in Polk county where the facility is located.

9. **VALIDITY AND DURATION OF A WAGE ASSIGNMENT NOTICE.** A notice of wage assignment given to the obligor is effective without the serving of another notice until the earliest of either of the following:

- a. The debt owed to the facility is paid in full.
- b. The obligor receives notice that the wage assignment shall cease.

Expiration of the wage assignment does not affect the obligor's duties and liabilities respecting the wages already withheld pursuant to the wage assignment.

Sec. 3. Section 421.31, subsection 3, Code 2001, is amended by striking the subsection and inserting in lieu thereof the following:

3. **AUDIT OF CLAIMS.** To set rules and procedures for the preaudit of claims by individual agencies or organizations. The director reserves the right to refuse to accept incomplete or incorrect claims and to review, preaudit, or audit claims as determined by the director.

Sec. 4. **NEW SECTION. 421.47 TAX AGREEMENTS WITH INDIAN TRIBES.**

1. "Indian country" means the Indian country as defined in 18 U.S.C. § 1151, and includes trust land as defined by the United States secretary of the interior.

2. The department and the governing body of an Indian tribe may enter into an agreement to provide for the collection and distribution or refund by the department within Indian country of any tax or fee imposed by the state and administered by the department.

An agreement may also provide for the collection and distribution by the department of any

tribal tax or fee imposed by tribal ordinance. The agreement may provide for the retention of an administrative fee by the department which fee shall be an agreed-upon percentage of the gross revenue of the tribal tax or fee collected.

3. An Act of Congress regulating the collection of state taxes and their remittance to the states shall preempt an agreement between the department and the governing body of an Indian tribe under this section to the extent such federal Act regulates the collection and remittance of a tax covered by the agreement.

4. An agreement between the department and the governing body of an Indian tribe under this section shall not preclude the negotiation of an amendment to such agreement, which conforms to an Act of Congress regulating the collection of state taxes and their remittance to the states.

Sec. 5. Section 422.7, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 38. Subtract, to the extent not otherwise excluded, the amount of withdrawals from qualified retirement plan accounts made during the tax year if the taxpayer or taxpayer's spouse is a member of the Iowa national guard or reserve forces of the United States who is ordered to active state service or federal service or duty. In addition, a penalty for such withdrawals shall not be assessed by the state.

Sec. 6. Section 422.16, subsection 2, Code 2001, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The director, in cooperation with the department of management, may periodically change the filing and remittance thresholds by administrative rule if in the best interest of the state and the taxpayer.

Sec. 7. Section 422.42, subsections 15 and 16, Code Supplement 2001, are amended to read as follows:

15. Sales of building materials, supplies, and equipment to owners, contractors, subcontractors or builders, for the erection of buildings or the alteration, repair, or improvement of real property, are retail sales in whatever quantity sold. If a contractor, subcontractor, or builder is to use building materials, supplies, and equipment in the performance of a construction contract with a designated exempt entity, the person shall purchase such items of tangible personal property without liability for the tax if such property will be used in the performance of the construction contract and a purchasing agent authorization letter and an exemption certificate, issued by the designated exempt entity, are presented to the retailer. Where the owner, contractor, subcontractor, or builder is also a retailer holding a retail sales tax permit and transacting retail sales of building materials, supplies, and equipment, the person shall purchase such items of tangible personal property without liability for the tax if such property will be subject to the tax at the time of resale or at the time it is withdrawn from inventory for construction purposes. The sales tax shall be due in the reporting period when the materials, supplies, and equipment are withdrawn from inventory for construction purposes or when sold at retail. The tax shall not be due when materials are withdrawn from inventory for use in construction outside of Iowa and the tax shall not apply to tangible personal property purchased and consumed by the manufacturer as building materials in the performance by the manufacturer or its subcontractor of construction outside of Iowa. The tax shall not be due when materials are withdrawn from inventory for use in construction performed for a designated exempt entity if an exemption certificate is received from such entity.

For the purposes of this subsection, the sale of carpeting is not a sale of building materials. The sale of carpeting to owners, contractors, subcontractors, or builders shall be treated as the sale of ordinary tangible personal property and subject to the tax imposed under section 422.43, subsection 1, and the tax imposed under section 423.2.

For purposes of this subsection, "designated exempt entity" means an entity which is designated in section 422.45, subsection 7.

16. The use within this state of tangible personal property by the manufacturer thereof of such property, as building materials, supplies, or equipment, in the performance of construction contracts in Iowa, shall, for the purpose of this division, be construed as a sale at retail thereof of such property by the manufacturer who shall be deemed to be the consumer of such tangible personal property. The tax shall be computed upon the cost to the manufacturer of the fabrication or production thereof of such property. However, the tax shall not apply to tangible personal property purchased and consumed by the manufacturer as building materials, supplies, or equipment in the performance of a construction contract for a designated exempt entity, as defined in subsection 15, if a purchasing agent authorization letter and an exemption certificate are received from such entity and presented to the retailer.

Sec. 8. Section 422.43, subsection 11, Code Supplement 2001, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For purposes of the tax on enumerated services under this subsection, service charges of financial institutions do not include surcharges assessed with regard to nonproprietary ATM transactions. This paragraph is repealed June 30, 2003.

Sec. 9. Section 422.45, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 63. The gross receipts from the sale or rental of tangible personal property or from services performed, rendered, or furnished to a recognized community action agency as provided in section 216A.93 to be used for the purposes of the agency.

Sec. 10. Section 422.47, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 5. For purposes of assisting retailers in properly accounting for non-taxable sales of building materials, supplies, and equipment to be used in the performance of a construction contract for a designated exempt entity, as defined in section 422.42, subsection 15, the designated exempt entity shall issue a purchasing agent authorization letter and an exemption certificate to the contractor, subcontractor, builder, or manufacturer to be used as provided in section 422.42, subsection 15 or 16. The authorization letter and the exemption certificate shall specify the construction project to which they apply and shall be valid only for that project.

The designated exempt entity shall notify the department that such authorization letter and exemption certificate have been issued. The notification shall, to the extent practicable, describe the project and identify the contractors, subcontractors, builders, and manufacturers which will be using the letter and certificate.

If a designated exempt entity is required by law to advertise for bids with regard to the construction project, the entity shall include in its notice to bidders that the entity will issue an exemption certificate for the purchase or use of building materials, supplies, and equipment that will be used in the performance of the construction contract.

The provisions of subsection 3, paragraphs "b", "d", and "e", to the extent not inconsistent with this subsection shall apply to this subsection.

Sec. 11. Section 422.54, subsection 1, Code 2001, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The director, in cooperation with the department of management, may periodically change the filing and remittance thresholds under sections 422.51 and 422.52 by administrative rule if in the best interest of the state and the taxpayer to do so.

Sec. 12. Section 422B.10, subsection 2, paragraph a, Code 2001, is amended to read as follows:

- a. The director of revenue and finance ~~within fifteen days of the beginning~~ by August 15 of

each fiscal year shall send to each city or county where the local option tax is imposed, an estimate of the amount of tax moneys each city or county will receive for the year and for each month of the year. At the end of each month, the director may revise the estimates for the year and remaining months.

Sec. 13. Section 422E.3, subsection 5, paragraph a, Code Supplement 2001, is amended to read as follows:

a. The director of revenue and finance ~~within fifteen days of the beginning~~ by August 15 of each fiscal year shall send to each school district where the tax is imposed an estimate of the amount of tax moneys each school district will receive for the year and for each month of the year. At the end of each month, the director may revise the estimates for the year and remaining months.

Sec. 14. Section 423.13, Code 2001, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The director, in cooperation with the department of management, may periodically change the filing and remittance thresholds by administrative rule if in the best interest of the state and the taxpayer to do so.

Sec. 15. Section 425.7, subsection 3, unnumbered paragraph 2, Code Supplement 2001, is amended to read as follows:

If a claim is disallowed by the director of revenue and finance and not appealed to the state board of tax review or appealed to and ~~upheld~~ by the state board of tax review and a ~~petition for judicial review is not filed with respect to the disallowance~~ thereafter upheld upon final resolution, including any judicial review, any amounts of credits allowed and paid from the homestead credit fund including the penalty, if any, become a lien upon the property on which credit was originally granted, if still in the hands of the claimant, and not in the hands of a bona fide purchaser, and any amount so erroneously paid including the penalty, if any, shall be collected by the county treasurer in the same manner as other taxes and the collections shall be returned to the department of revenue and finance and credited to the homestead credit fund. The director of revenue and finance may institute legal proceedings against a homestead credit claimant for the collection of payments made on disallowed credits and the penalty, if any. If a person makes a false claim or affidavit with fraudulent intent to obtain the homestead credit, the person is guilty of a fraudulent practice and the claim shall be disallowed in full. If the credit has been paid, the amount of the credit plus a penalty equal to twenty-five percent of the amount of credit plus interest, at the rate in effect under section 421.7, from the time of payment shall be collected by the county treasurer in the same manner as other property taxes, penalty, and interest are collected and when collected shall be paid to the director of revenue and finance. If a homestead credit is disallowed and the claimant failed to give written notice to the assessor as required by section 425.2 when the property ceased to be used as a homestead by the claimant, a civil penalty equal to five percent of the amount of the disallowed credit is assessed against the claimant.

Sec. 16. Section 425.15, Code 2001, is amended to read as follows:

425.15 DISABLED VETERAN TAX CREDIT.

If the owner of a homestead allowed a credit under this chapter is a veteran of any of the military forces of the United States, who acquired the homestead under 38 U.S.C. § 21.801, 21.802, or 38 U.S.C. § 2101, 2102, the credit allowed on the homestead from the homestead credit fund shall be the entire amount of the tax levied on the homestead. The credit allowed shall be continued to the estate of a veteran who is deceased or the surviving spouse and any child, as defined in section 234.1, who are the beneficiaries of a deceased veteran, so long as the surviving spouse remains unmarried. This section is not applicable to the holder of title to any homestead whose annual income, together with that of the titleholder's spouse, if any, for the last preceding twelve-month income tax accounting period exceeds ~~twenty-five~~ thirty-

five thousand dollars. For the purpose of this section "income" means taxable income for federal income tax purposes plus income from securities of state and other political subdivisions exempt from federal income tax. A veteran or a beneficiary of a veteran who elects to secure the credit provided in this section is not eligible for any other real property tax exemption provided by law for veterans of military service. If a veteran acquires a different homestead, the credit allowed under this section may be claimed on the new homestead unless the veteran fails to meet the other requirements of this section.

Sec. 17. Section 426A.6, Code 2001, is amended to read as follows:

426A.6 SETTING ASIDE ALLOWANCE.

If the director of revenue and finance determines that a claim for military service tax exemption has been allowed by a board of supervisors which is not justifiable under the law and not substantiated by proper facts, the director may, at any time within thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or the board of supervisors may appeal to the state board of tax review pursuant to section 421.1, subsection 4. The claimant or the board of supervisors may seek judicial review of the action of the state board of tax review in accordance with chapter 17A. If a claim is disallowed by the director of revenue and finance and not appealed to the state board of tax review or appealed to and upheld by the state board of tax review and a petition for judicial review is not filed with respect to the disallowance thereafter upheld upon final resolution, including judicial review, the credits allowed and paid from the general fund of the state become a lien upon the property on which the credit was originally granted, if still in the hands of the claimant and not in the hands of a bona fide purchaser, the amount so erroneously paid shall be collected by the county treasurer in the same manner as other taxes, and the collections shall be returned to the department of revenue and finance and credited to the general fund of the state. The director of revenue and finance may institute legal proceedings against a military service tax exemption claimant for the collection of payments made on disallowed exemptions.

Sec. 18. Section 426A.11, subsection 3, Code Supplement 2001, is amended to read as follows:

3. Where the word "veteran" appears in this chapter, it includes, without limitation, the members of the United States air force, ~~and the United States merchant marine, and coast guard.~~

Sec. 19. Section 427.1, subsection 5, Code Supplement 2001, is amended to read as follows:

5. PROPERTY OF ASSOCIATIONS OF WAR VETERANS. The property of any organization composed wholly of veterans of any war, when such property is devoted entirely to its own use and not held for pecuniary profit. The operation of bingo games on property of such organization shall not adversely affect the exemption of that property under this subsection if all proceeds, in excess of expenses, are used for the legitimate purposes of the organization.

Sec. 20. Section 452A.2, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. "Biofuel" means an oxygenated product derived from soybean oil, vegetable oil, or animal fats that can be used in diesel engines or aircraft. Biofuel may be a blend with diesel fuel or it may be one hundred percent soybean oil, vegetable oil, or animal fats. Any biofuel product is a special fuel.

Sec. 21. Section 452A.6, Code 2001, is amended to read as follows:

452A.6 ETHANOL BLENDED GASOLINE AND OTHER PRODUCTS BLENDER'S LICENSE.

A person other than a supplier, restrictive supplier, or importer licensed under this division,

who blends gasoline with alcohol distilled from cereal grains so that the blend contains at least ten percent alcohol distilled from cereal grains, shall obtain a blender's license. A person who blends two or more special fuel products or sells one hundred percent biofuel shall obtain a blender's license. The license shall be obtained by following the procedure under section 452A.4 and the license is subject to the same restrictions as contained in that section. A blender shall maintain records as required by section 452A.10 as to motor fuel, alcohol, ~~and~~ ethanol blended gasoline, and special fuels.

Sec. 22. Section 452A.8, subsection 3, Code 2001, is amended to read as follows:

3. For the purpose of determining the amount of the tax liability on alcohol blended to produce ethanol blended gasoline or a blend of special fuel products, each licensed blender shall, not later than the last day of each month following the month in which the blending is done, file with the department a monthly return, signed under penalty for false certificate, containing information required by rules adopted by the director.

Sec. 23. Section 452A.9, Code 2001, is amended to read as follows:

452A.9 RETURNS FROM PERSONS NOT LICENSED AS SUPPLIERS, RESTRICTIVE SUPPLIERS, ~~OR IMPORTERS OR BLENDERS.~~

Every person other than a licensed supplier, restrictive supplier, ~~or importer or blender~~, who purchases, brings into this state, or otherwise acquires within this state motor fuel or undyed special fuel, not otherwise exempted, which the person has knowingly not paid or incurred liability to pay either to a licensee or to a dealer the motor fuel or special fuel tax, shall be subject to the provisions of this division that apply to suppliers, restrictive suppliers, ~~and importers and blenders~~ of motor fuel or undyed special fuel and shall file the same returns and make the same tax payments and be subject to the same penalties for delinquent filing or nonfiling or delinquent payment or nonpayment as apply to suppliers, restrictive suppliers, ~~and importers and blenders.~~

Sec. 24. Section 452A.15, subsection 1, unnumbered paragraph 1, Code 2001, is amended to read as follows:

Every railroad and common carrier or contract carrier transporting motor fuel or special fuel either in interstate or intrastate commerce within this state and every person transporting motor fuel or special fuel by whatever manner into this state shall, subject to penalties for false certificate, report to the department all deliveries of motor fuel or special fuel to points within this state other than refineries or marine or pipeline terminals. If any supplier, restrictive supplier, importer, blender, or distributor is also engaged in the transportation of motor fuel or special fuel for others, the supplier, restrictive supplier, importer, blender, or distributor shall make the same reports as required of common carriers and contract carriers.

Sec. 25. Section 452A.15, Code 2001, is amended by adding the following new subsection: NEW SUBSECTION. 2A. Persons operating storage facilities at a nonterminal location shall file a monthly report with the department accounting for all motor fuel, alcohol, and special fuel that is delivered into, stored within, withdrawn from, or sold from the storage facility.

Sec. 26. Section 452A.15, Code 2001, is amended by adding the following new subsection: NEW SUBSECTION. 4. The director may impose a civil penalty against any person who fails to file the reports or keep the records required under this section. The penalty shall be one hundred dollars for the first violation and shall increase by one hundred dollars for each additional violation occurring in the calendar year in which the first violation occurred.

Sec. 27. Section 452A.60, unnumbered paragraph 1, Code 2001, is amended to read as follows:

The department of revenue and finance or the state department of transportation shall prescribe and furnish all forms, as applicable, upon which reports, returns, and applications shall

be made and claims for refund presented under this chapter and may prescribe forms of record to be kept by suppliers, restrictive suppliers, importers, exporters, blenders, common carriers, contract carriers, licensed compressed natural gas and liquefied petroleum gas dealers and users, terminal operators, nonterminal storage facility operations, and interstate commercial motor vehicle operators.

Sec. 28. Section 452A.62, subsection 2, unnumbered paragraph 1, Code 2001, is amended to read as follows:

To examine the records, books, papers, receipts, and invoices of any distributor, supplier, restrictive supplier, importer, blender, exporter, terminal operator, licensed compressed natural gas or liquefied petroleum gas dealer or user, or any other person who possesses fuel upon which the tax has not been paid to determine financial responsibility for the payment of the taxes imposed by this chapter.

Sec. 29. Section 516D.3, subsection 6, paragraphs a and b, Code 2001, are amended to read as follows:

a. ~~Mandatory charge does not include an optional airport imposed~~ airport-imposed fee if the existence and amount of the fee are clearly and conspicuously disclosed immediately adjacent to any advertised rental price. ~~The advertisement must clearly and conspicuously state the method of avoiding the airport access fee and the~~ customer must be informed of the amount of the fee when the reservation is made. When an advertisement encompasses more than one rental location, the fee may be expressed as the maximum fee or range of fees.

b. Mandatory charge does not include taxes imposed directly upon the rental transaction by an authorized taxing authority. ~~An airport imposed fee on gross receipts or an airport access fee is not such a tax.~~

Sec. 30. Notwithstanding the filing deadline provided in section 427.1, subsection 14, the filing deadline for organizations, institutions, or societies required to file a claim for a property tax exemption for the assessment year beginning January 1, 2002, for taxes due and payable in the fiscal year beginning July 1, 2003, shall be October 1, 2002.

Sec. 31. Section 70A.17, Code 2001, is repealed.

Sec. 32. ABATEMENT OF PROPERTY TAXES. Notwithstanding the requirement for the filing of a claim for property tax exemption by April 15 as provided in section 427.1, subsection 14, Code Supplement 1999, the board of supervisors of a county having a population based upon the latest federal census of more than one hundred eighty thousand but not more than two hundred thousand shall abate the property taxes owed, with all interest, fees, and costs, levied for the fiscal year beginning July 1, 2000, which were payable during the fiscal year beginning July 1, 2001, on the land and buildings of a religious institution that did not receive a property tax exemption for failure to file for the exemption. To receive the abatement provided in this section, the religious institution shall apply to the county board of supervisors by October 1, 2002, and provide appropriate information establishing that the lands and buildings for which the abatement is sought were used by the religious institution for its appropriate objects during the fiscal year beginning July 1, 2000. The abatement allowed under this section only applies to property taxes, with all interests, fees, and costs, levied for the fiscal year beginning July 1, 2000, and due and payable in the fiscal year beginning July 1, 2001.

Sec. 33.

1. ABATEMENT OF SALES AND USE TAXES. The director of revenue and finance shall abate unpaid state sales and use taxes and local sales and services taxes owed by any foundry located in Lee or Jefferson county on purchases of tangible personal property used by the foundry in making patterns, molds, or dies which purchases occurred between July 1, 1997, and the effective date of this section.

2. REFUNDS. If the state sales and use taxes and local sales and services taxes have been paid on the purchases of tangible personal property which occurred between July 1, 1997, and the effective date of this section and which taxes would have been abated under subsection 1 if not paid, then such taxes and any interest and penalties, that were paid, are eligible for refund. However, refunds shall not be allowed unless claims are filed prior to October 1, 2002, and shall be limited to twenty-five thousand dollars in the aggregate. If the amount of claims totals more than twenty-five thousand dollars in the aggregate, the department of revenue and finance shall prorate the twenty-five thousand dollars among all claimants in relation to the amounts of the claimants' valid claims.

Sec. 34. VOLUNTEER FIRE FIGHTERS PENSION TASK FORCE — REPORT. A volunteer fire fighters pension task force is created concerning the establishment of a pension system for volunteer fire fighters in this state. The task force shall examine pension plans established by other states for volunteer fire fighters and shall solicit information from volunteer fire fighters, and cities and townships with volunteer fire fighters, concerning the establishment of a pension system for volunteer fire fighters. The task force shall also identify and examine issues relating to volunteer fire departments' attraction and retention of fire fighters and shall propose solutions to these issues of attraction and retention.

Membership of the task force is to be determined by the legislative council. Members shall be appointed by the legislative council. The membership shall include, but not be limited to, the following:

1. The commissioner of insurance or the commissioner's designee.
2. The treasurer of state or the treasurer's designee.
3. A representative of a pension system established pursuant to Code chapter 411.
4. A representative of the Iowa public employees' retirement system.
5. A representative of a pension system established for private sector employees.
6. A representative of the state fire and emergency response council.
7. A representative of volunteer fire fighters in the state.
8. A representative of township trustees.
9. A representative of the Iowa league of cities.

The legislative service bureau and the legislative fiscal bureau shall provide staffing assistance to the task force. The department of management shall provide other assistance to the task force in completing its duties.

The task force shall submit a report to the general assembly by January 1, 2003. The report shall contain the findings and recommendations of the task force.

Sec. 35. IMPLEMENTATION OF ACT. Section 25B.7 does not apply to the section of this Act amending section 425.15 relating to the disabled veteran tax credit.

Sec. 36. EFFECTIVE DATES.

1. The sections of this Act amending sections 422.42 and 422.47 take effect January 1, 2003, and apply to construction contracts entered into on or after that date.

2. The section of this Act extending the time for filing a claim for property tax exemptions by certain organizations, institutions, or societies, being deemed of immediate importance, takes effect upon enactment.

3. The section of this Act amending section 404.4, relating to the exemption for urban revitalization, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2001, for claims for exemptions made on or after that date.

4. The section of this Act providing for the abatement of property taxes on religious property, being deemed of immediate importance, takes effect upon enactment, and applies retroactively to property taxes due and payable in the fiscal year beginning July 1, 2001.

5. The section of this Act that provides for the abatement of sales and use taxes owed or the refund of sales and use tax paid on the purchases of certain tangible personal property by a foundry, being deemed of immediate importance, takes effect upon enactment.

6. The section of this Act amending section 422.7 applies retroactively to January 1, 2002, for tax years beginning on or after that date.

7. The section of this Act amending section 425.15, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2002, for claims filed or on file on or after that date.

Approved May 6, 2002

CHAPTER 1152

PRIMARY AND SECONDARY EDUCATION — EMPLOYEE STANDARDS, CAREER DEVELOPMENT, ASSESSMENT, AND REMUNERATION

H.F. 2549

AN ACT relating to students and school district employees by amending the student achievement and teacher quality program and language pertaining to retirement incentives and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 256.7, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 25. Adopt rules establishing standards for school district and area education agency career development programs and for individual teacher career development plans in accordance with section 284.6.

Sec. 2. Section 256.9, subsection 50, Code Supplement 2001, is amended to read as follows:

50. Develop core knowledge and skill criteria models, based upon the Iowa teaching standards, for the evaluation, the advancement, and for teacher career development purposes pursuant to chapter 284. The model criteria shall further define the characteristics of quality teaching as established by the Iowa teaching standards. The director, in consultation with the board of educational examiners, shall also develop a transition plan for implementation of the career development standards developed pursuant to section 256.7, subsection 25, with regard to licensure renewal requirements. The plan shall include a requirement that practitioners be allowed credit for career development completed prior to implementation of the career development standards developed pursuant to section 256.7, subsection 25.

Sec. 3. Section 256.44, subsection 1, paragraph a, Code 2001, is amended to read as follows:

a. If a teacher registers for national board for professional teaching standards certification prior to June 30, ~~2002~~ 2005, a one-time initial reimbursement award in the amount of up to one-half of the registration fee paid by the teacher for registration for certification by the national board for professional teaching standards. The teacher shall apply to the department of education within one year of registration, submitting to the department any documentation the department requires. A teacher who receives an initial reimbursement award shall receive a one-time final registration award in the amount of the remaining national board registration fee paid by the teacher if the teacher notifies the department of the teacher's certification achievement and submits any documentation requested by the department.