

House Amendment 4098

Amendment Text

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1 1 Amend [Senate File 472](#), as amended, passed, and
1 2 reprinted by the Senate, as follows:
1 3 #1. Page 1, by inserting before line 1 the
1 4 following:
1 5 "Section 1. Section 422B.1, subsection 1, Code
1 6 1995, is amended to read as follows:
1 7 1. A county may impose by ordinance of the board
1 8 of supervisors local option taxes authorized by this
1 9 chapter, subject to this section and subject to the
1 10 exception provided in subsection 1A.
1 11 Sec. _____. Section [422B.1](#), Code 1995, is amended by
1 12 adding the following new subsection:
1 13 NEW SUBSECTION. 1A. a. A city whose corporate
1 14 boundaries include areas of two counties may impose by
1 15 ordinance of its city council a local sales and
1 16 services tax if all of the following apply:
1 17 (1) All the residents of the city live in one
1 18 county.
1 19 (2) The county in which the city residents reside
1 20 has held an election on the question of the imposition
1 21 of a local sales and services tax and a majority of
1 22 those voting on the question in the city favored its
1 23 imposition.
1 24 (3) The city has entered into an agreement on the
1 25 distribution of the sales and services tax revenues
1 26 collected from the area where the city tax is imposed
1 27 with the county where such area is located.
1 28 b. The city council of a city authorized to impose
1 29 a local sales and services tax pursuant to paragraph
1 30 "a" shall only do so subject to all of the following
1 31 restrictions:
1 32 (1) The tax shall only be imposed in the area of
1 33 the city located in the county where none of its
1 34 residents reside.
1 35 (2) The tax shall be at the same rate and become
1 36 effective at the same time as the county tax imposed
1 37 in the other area of the city.
1 38 (3) The tax once imposed shall continue to be
1 39 imposed until the county imposed tax is reduced or
1 40 increased in rate or repealed, and then the city
1 41 imposed tax shall also be reduced or increased in rate
1 42 or repealed in the same amount and be effective on the
1 43 same date.
1 44 (4) The tax shall be imposed on the same basis as
1 45 provided in section 422B.8 and notification
1 46 requirements in section 422B.9 apply.
1 47 (5) The city shall assist the department of
1 48 revenue and finance to identify the businesses in the
1 49 area which are to collect the city imposed tax. The
1 50 process shall be ongoing as long as the city tax is
2 1 imposed.
2 2 c. The agreement on the distribution of the
2 3 revenues collected from the city imposed tax shall
2 4 provide that fifty percent of such revenues shall be
2 5 remitted to the county in which the part of the city
2 6 where the city tax is imposed is located.
2 7 d. The latest certified federal census preceding

2 8 the election held by the county on the question of
2 9 imposition of the local sales and services tax shall
2 10 be used in determining if the city qualifies under
2 11 paragraph "a", subparagraph (1) to impose its own tax
2 12 and in determining the area where the city tax may be
2 13 imposed under paragraph "b", subparagraph (1).

2 14 e. A city is not authorized to impose a local
2 15 sales and services tax under this subsection after
2 16 January 1, 1998. A city that has imposed a local
2 17 sales and services tax under this subsection on or
2 18 before January 1, 1998, may continue to collect the
2 19 tax until such time as the tax is repealed by the city
2 20 and the fact that that area acquires residents after
2 21 the tax is imposed shall not affect the imposition or
2 22 collection of the tax.

2 23 Sec. ____ Section 422B.1, subsection 5, paragraph
2 24 a, unnumbered paragraph 1, Code 1995, is amended to
2 25 read as follows:

2 26 If a majority of those voting on the question of
2 27 imposition of a local option tax favor imposition of a
2 28 local option tax, the governing body of that county
2 29 shall impose the tax at the rate specified for an
2 30 unlimited period. However, in the case of a local
2 31 sales and services tax, the county shall not impose
2 32 the tax in any incorporated area or the unincorporated
2 33 area if the majority of those voting on the tax in
2 34 that area did not favor its imposition. For purposes
2 35 of the local sales and services tax, all cities
2 36 contiguous to each other shall be treated as part of
2 37 one incorporated area and the tax shall be imposed in
2 38 each of those contiguous cities only if the majority
2 39 of those voting on the tax in the total area covered
2 40 by the contiguous cities favored its imposition. The
2 41 local option tax may be repealed or the rate increased
2 42 or decreased or the use thereof changed after an
2 43 election at which a majority of those voting on the
2 44 question of repeal or rate or use change favored the
2 45 repeal or rate or use change. The election at which
2 46 the question of repeal or rate or use change is
2 47 offered shall be called and held in the same manner
2 48 and under the same conditions as provided in
2 49 subsections 3 and 4 for the election on the imposition
2 50 of the local option tax. However, in the case of a
3 1 local sales and services tax where the tax has not
3 2 been imposed countywide, the question of repeal or
3 3 imposition or rate or use change shall be voted on
3 4 only by the qualified electors of the areas of the
3 5 county where the tax has been imposed or has not been
3 6 imposed, as appropriate. However, the governing body
3 7 of the incorporated area or unincorporated area where
3 8 the local sales and services tax is imposed may, upon
3 9 its own motion, request the county commissioner of
3 10 elections to hold an election in the incorporated or
3 11 unincorporated area, as appropriate, on the question
3 12 of the change in use of local sales and services tax
3 13 revenues. The election may be held at any time but
3 14 not sooner than sixty days following publication of
3 15 the ballot proposition. If a majority of those voting
3 16 in the incorporated or unincorporated area on the
3 17 change in use favor the change, the governing body of
3 18 that area shall change the use to which the revenues
3 19 shall be used. The ballot proposition shall list the
3 20 present use of the revenues, the proposed use, and the
3 21 date after which revenues received will be used for
3 22 the new use."

3 23 #2. Page 1, by inserting after line 10 the
3 24 following:

3 25 "Sec. ____ Section 422B.10, subsection 1, Code
3 26 1995, is amended to read as follows:
3 27 1. The director shall credit the local sales and
3 28 services tax receipts and interest and penalties from
3 29 a county imposed tax to the county's account in the
3 30 local sales and services tax fund and from a city
3 31 imposed tax under section 422B.1, subsection 1A, to
3 32 the city's account in the local sales and services tax
3 33 fund. If the director is unable to determine from
3 34 which county any of the receipts were collected, those
3 35 receipts shall be allocated

~~amongst~~

- among the possible

3 36 counties based on allocation rules adopted by the
3 37 director.

3 38 Sec. ____ Section 422B.10, Code 1995, is amended
3 39 by adding the following new subsection:

3 40 NEW SUBSECTION. 4A. From each city's account, the
3 41 percent of revenues agreed to be distributed to the
3 42 county in the agreement entered into as provided in
3 43 section 422B.1, subsection 1A, paragraph "a",
3 44 subparagraph (3) and paragraph "c", shall be deposited
3 45 into the appropriate county's account to be remitted
3 46 as provided in subsections 3 and 4. The remaining
3 47 revenues in the city's account shall be remitted to
3 48 the city council. If a county does not have an
3 49 account, its percent of the revenues shall be remitted
3 50 directly to the county board of supervisors."

4 1 #3. Page 2, line 4, by striking the words "a city"
4 2 and inserting the following: "an issuer".

4 3 #4. Page 2, by striking lines 6 through 9 and
4 4 inserting the following: "revenues of the local
4 5 option sales and services tax, and not from property
4 6 tax, by following the authorization procedures set
4 7 forth for cities in section 384.83. Bonds may be
4 8 issued for the purpose of".

4 9 #5. Page 2, by striking lines 20 and 21 and
4 10 inserting the following: "the bonds are to bear, and
4 11 the right to petition for an election, to be published
4 12 at least once in a".

4 13 #6. Page 2, by striking lines 26 through 32 and
4 14 inserting the following:

4 15 "If at any time before the date fixed for taking
4 16 action for the issuance of the bonds, a petition
4 17 signed by three percent of the registered voters of
4 18 the bond issuer is filed, asking that the question of
4 19 issuing the bonds be submitted to the registered
4 20 voters, the governing body shall either by resolution
4 21 declare the proposal to issue the bonds to have been
4 22 abandoned or shall direct the county commissioner of
4 23 elections to call a special election upon the question
4 24 of issuing the bonds. The proposition of issuing
4 25 bonds under this subsection is not approved unless the
4 26 vote in favor of the proposition is equal to at least
4 27 sixty percent of the vote cast. If a petition is not
4 28 filed, or if a petition is filed and the proposition
4 29 of issuing the bonds is approved at an election, the
4 30 governing body acting on behalf of the issuer may
4 31 proceed with the authorization and issuance of the
4 32 bonds. Bonds may".

4 33 #7. Page 3, line 22, by striking the word "used"
4 34 and inserting the following: "issued".

4 35 #8. Title page, line 4, by inserting after the
4 36 word "revenues" the following: ", by authorizing the
4 37 imposition of the tax in certain cities located in two
4 38 counties, and by setting the procedure for changing

4 39 the use of revenues from the tax,".
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4 41
4 42 _____
4 43 COMMITTEE ON [WAYS AND MEANS](#)
4 44 HALVORSON of Clayton, Chairperson
4 45 [SF 472](#).302 76
4 46 mg/cf