

# Legislative Fiscal Bureau

## Fiscal Note

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HF 344 – Fuel Tax Exemption, Political Subdivision Agencies (LSB 1456 HV)  
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Fiscal Note Version – New  
Requestor – Representative Geri Huser

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### **Description**

House File 344 allows benefited fire departments to receive refunds for motor vehicle fuel tax, when the fuel is used for public purposes.

### **Assumptions**

1. There are 58 benefited fire districts in the State that provide fire protection to rural areas.
2. Under current law, no new benefited fire districts can be established, and the ones currently in existence may dissolve over time.
3. Under current law, none of the 58 districts have ever received fuel tax refunds when the fuel was used for public services.
4. Under current law, if more than one benefited fire district joins to form a political subdivision, only one refund is provided.
5. It is unknown how many benefited fire districts are part of political subdivisions, or how many of those districts are included within the political subdivisions. It is known, however, that currently there are at least two such fire districts joined under a political subdivision. The refund for one such political subdivision, containing two benefited fire districts, is estimated to be \$200 annually.

### **Fiscal Impact**

Due to insufficient information, the fiscal impact of HF 344 cannot be determined. However, if all 58 benefited fire districts were joined under political subdivisions, and each subdivision contained two fire departments, the estimated annual refund for the 29 political subdivisions would be \$5,800. Expenditures would be paid from the Road Use Tax Fund.

### **Source**

Department of Revenue and Finance

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/s/ Dennis C Prouty

March 11, 2003

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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