

April 18, 1967
Passed on File
In Calendar 4-15
Tap Revision 5-23

Senate File 742
By COMMITTEE ON WAYS
AND MEANS

Passed Senate, Date 5-15-67 Passed House, Date 6-5-67
Vote: Ayes 52 Nays 2 Vote: Ayes 107 Nays 4

*motion to reconsider
filed 5-15-67
Passed Senate
5-19-67
41-1* Approved June 22, 1967
*Passed and
amended by
House 6-7
47-1*

A BILL FOR

An Act relating to the motor fuel tax.

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

1 Section 1. Section three hundred twenty-four point two
2 (324.2), Code 1966, is hereby amended as follows:

3 1. By inserting in subsection one (1), line nineteen (19),
4 after the word "not" the following:

5 "include special fuel as defined in section three hundred
6 twenty-four point thirty-three (324.33), subsection one (1),
7 of the Code and shall not".

8 2. By inserting in subsection two (2), line seven (7),
9 after the word "resale," the words "and shall include any
10 person who sells special fuel as defined in section three
11 hundred twenty-four point thirty-three (324.33), subsection
12 one (1) of the Code in bulk for highway use".

13 3. By inserting in subsection four (4), line one (1),
14 after the word "Dealer" the words ", 'agent' and 'consignee'".

1 Sec. 2. Section three hundred twenty-four point four
2 (324.4), Code 1966, is hereby amended by inserting in line
3 four (4) after the word "distributor" in lines three (3) and
4 four (4) the words "or to sell special fuel in bulk for high-
5 way use".

1 Sec. 3. Section three hundred twenty-four point six
2 (324.6), Code 1966, is hereby amended by inserting in line
3 four (4) after the word "effect" the following:

4 "if the licensee is actively engaged in the selling of motor
5 fuel for resale and otherwise acting as a distributor or".

1 Sec. 4. Section three hundred twenty-four point seven
2 (324.7), Code 1966, is hereby amended as follows:

3 1. By striking from subsection one (1), paragraph a, line
4 three (3) the word "one" and inserting in lieu thereof the
5 word "five (5)".

6 2. By striking from subsection three (3), line eight (8),
7 the word "may" and inserting in lieu thereof the word "shall".

8 3. By striking from subsection four (4), line twelve (12),
9 the word "fifty" and inserting in lieu thereof the words
10 "five hundred (500)".

1 Sec. 5. Section three hundred twenty-four point ten
2 (324.10), Code 1966, is hereby amended by inserting in line
3 one (1) after the word "distributor" the words "and special
4 fuel distributor".

1 Sec. 6. Section three hundred twenty-four point eleven
2 (324.11), subsection one (1), Code 1966, is hereby amended as
3 follows:

4 1. By inserting in line twenty-nine (29) after the word
5 "each" the word "registered".

6 2. By striking all of such subsection after the word
7 "others" in line thirty-one (31) and inserting in lieu thereof
8 a period.

1 Sec. 7. Section three hundred twenty-four point sixteen
2 (324.16), Code 1966, is hereby amended by striking from lines
3 nine (9) and ten (10) the words "proof as the treasurer may
4 reasonably require" and inserting in lieu thereof the words
5 "two (2) notarized affidavits covering circumstances of loss
6 as proof".

1 Sec. 8. Section three hundred twenty-four point thirty-
2 three (324.33), Code 1966, is hereby amended as follows:

3 1. By striking all of subsection three (3) after the word
4 "vehicle" in line four (4) and inserting in lieu thereof a

5 period.

6 2. By inserting after subsection four (4) the following new
7 subsection:

8 "'Licensed special fuel user' means and includes any person
9 who dispenses special fuel from bulk sources owned or con-
10 trolled by himself. A licensed special fuel user shall make
11 bulk purchases of special fuel for highway use only from a
12 licensed special fuel distributor."

13 3. By renumbering the remaining subsection.

1 Sec. 9. Section three hundred twenty-four point thirty-
2 four (324.34), Code 1966, is hereby amended as follows:

3 1. By striking from line twenty-nine (29) the word "may"
4 and inserting in lieu thereof the words "licensed special fuel
5 user locations and shall".

6 2. By inserting in line thirty (30) after the word "sta-
7 tions" the words "and licensed special fuel user locations".

1 Sec. 10. Section three hundred twenty-four point thirty-
2 six (324.36), subsection four (4), Code 1966, is hereby amended
3 by inserting in line seven (7) after the word "than" the words
4 "two hundred (200)".

1 Sec. 11. Section three hundred twenty-four point thirty-
2 eight (324.38), subsection four (4), Code 1966, is hereby
3 amended by inserting in line three (3) after the word "trea-
4 surer" the words ", and at the discretion of the treasurer,".

1 Sec. 12. Section three hundred twenty-four point fifty-
2 two (324.52), Code 1966, is hereby amended as follows:

3 1. By inserting in line two (2) after the word "a" the
4 word "commercial".

5 2. By inserting in line fourteen (14) after the word "a"
6 the word "commercial".

7 3. By striking from line fifteen (15) the word "twenty"
8 and inserting in lieu thereof the word "thirty (30)".

1 Sec. 13. Section three hundred twenty-four point fifty-
2 three (324.53), Code 1966, is hereby amended as follows:

3 1. By inserting in line eight (8) after the word "records."
4 the following:

5 "Persons choosing not to make advance arrangements with
6 the treasurer by the procuring of a permit are not relieved
7 of their responsibility to purchase motor fuel and special
8 fuel commensurate with their use of the state's highway system.
9 The treasurer may audit persons not holding a permit who are
10 suspected of evading the fuel tax on commercial motor vehicles.
11 Audits shall be conducted pursuant to section three hundred
12 twenty-four point fifty-five (324.55) of the Code."

13 2. By inserting in line fourteen (14) after the word "of"
14 the word "commercial".

15 3. By inserting in line twenty-three (23) after the word
16 "section." the following:

17 "A visible sign of a compliance with this section may at
18 the discretion of the treasurer be attached to the outside of
19 a commercial motor vehicle."

20 4. By striking from line twenty-four (24) the word "twenty-
21 five" and inserting in lieu thereof the word "fifty (50)".

1 Sec. 14. Section three hundred twenty-four point fifty-
2 four (324.54), Code 1966, is hereby amended as follows:

3 1. By inserting in line four (4) after the word "of" the
4 word "commercial".

5 2. By inserting in line twelve (12) after the word "in"
6 the word "commercial".

7 3. By adding thereto the following:

8 "The treasurer with the written approval of the Iowa
9 reciprocity board may enter into reciprocal agreements with
10 the appropriate official of any other state under which the
11 treasurer may waive all or any part of the requirements imposed
12 in this section and sections three hundred twenty-four point
13 fifty-two (324.52), three hundred twenty-four point fifty-three
14 (324.53), and three hundred twenty-four point fifty-five
15 (324.55) of the Code. The treasurer shall present the Iowa

16 reciprocity board with sufficient justification to enter into
17 such an agreement making use of the most recent highway origin
18 destination study available from the Iowa state highway com-
19 mission. In no circumstances shall the state of Iowa enter
20 into reciprocity agreements for motor fuel taxes and special
21 fuel taxes with any state taxing motor fuel and special fuel
22 at a lower rate than those in effect in Iowa. The reciprocity
23 agreement shall be dissolved by the joint written consent
24 of the treasurer and the Iowa reciprocity board and the ap-
25 propriate state official or board of the reciprocal state."

1 Sec. 15. Section three hundred twenty-four point fifty-
2 five (324.55), Code 1966, is hereby amended by adding thereto
3 the following:

4 "When, as a result of such audit and examination, fuel taxes
5 unpaid and due are found owing the state of Iowa in an amount
6 exceeding five hundred (500) dollars, the treasurer within a
7 period of one (1) year from the issuance of a permit may audit
8 the records of the permittee for the two (2) years preceding
9 the issuance of the permit. The treasurer shall collect all
10 taxes due had the permittee been licensed for the two (2)
11 years prior to the issuance of the permit and shall refund all
12 excess credit that would have been paid pursuant to section
13 three hundred twenty-four point fifty-four (324.54) of the
14 Code."

1 Sec. 16. Section three hundred twenty-four point fifty-
2 six (324.56), Code 1966, is hereby repealed and the following
3 enacted in lieu thereof:

4 "The provisions of this division shall not be required of
5 a distributor licensed under division one (I) of this chapter
6 who elects to report and pay tax on motor fuel as is set out
7 in division one (I) and on special fuel as is set out in
8 division two (II) of this chapter, provided that a distributor
9 so electing shall also report and pay Iowa fuel tax on motor
10 fuel and special fuel purchased in another state which is used

11 to propel a commercial motor vehicle owned or leased by the
12 distributor on the highways of this state. Such distributor
13 shall be allowed to enter this state with thirty (30) gallons
14 or more fuel in the supply tank of a commercial motor vehicle,
15 but shall not be allowed any other provision of this division."

1 Sec. 17. Section three hundred twenty-four point fifty-
2 seven (324.57), Code 1966, is hereby amended as follows:

3 1. By inserting in subsection three (3), line twenty-six
4 (26), after the word "attached." the following:

5 "Mobile machinery or equipment originally designed as motor
6 vehicles which are owned by the counties, cities, and towns
7 of Iowa shall not be exempt from payment of fuel taxes on fuel
8 used when operating on the public highways."

9 2. By adding thereto the following new subsections:

10 a. "'Commercial motor vehicle' means a passenger vehicle
11 that has seats for more than nine (9) passengers in addition
12 to the driver, any road tractor, any truck tractor, or any
13 truck having two (2) or more axles which passenger vehicle,
14 road tractor, truck tractor, or truck is propelled on the
15 public highways by either motor fuel or special fuel."

16 b. "'Carrier' means and includes any person who operates
17 or causes to be operated any commercial motor vehicle on any
18 public highway in this state."

1 Sec. 18. Chapter three hundred twenty-four (324), Code
2 1966, is hereby amended by adding thereto the following new
3 section immediately after section three hundred twenty-four
4 point fifty-seven (324.57) of the Code, and renumbering the re-
5 maining sections:

6 "Every commercial motor vehicle as defined in section
7 seventeen (17) of this Act leased to a carrier shall be sub-
8 ject to the provisions of this division and rules and regula-
9 tions enforced pursuant thereto to the same extent and in the
10 same manner as commercial vehicles owned by such carrier.

11 "A lessor of a commercial motor vehicle shall be deemed a

12 carrier with respect to such vehicles leased to others by
13 him and motor fuel or special fuel consumed thereby if the
14 lessor supplies or pays for the motor fuel or special fuel
15 consumed by such vehicle or makes rental or other charges cal-
16 culated to include the cost of such fuel.

17 "The provisions of this section shall govern the primary
18 liability pursuant to this section if either lessor or lessee
19 primarily fails in whole or in part to discharge this lia-
20 bility. Such failing party as lessor or lessee party to the
21 transaction shall be jointly and severally responsible and
22 liable for the provisions of division three (III) of this
23 chapter and for payment of any tax unpaid and due pursuant
24 thereto, provided that any taxes collected by this state shall
25 not exceed the total amount or amounts of the taxes due on
26 account of the transaction in question and such penalties and
27 costs, if any, as may be imposed."

1 Sec. 19. Section three hundred twenty-four point fifty-
2 nine (324.59), Code 1966, is hereby amended by inserting in
3 line eight (8) after the word "interstate" the word "com-
4 mercial".

1 Sec. 20. Section three hundred twenty-four point sixty-
2 four (324.64), Code 1966, is hereby amended by striking from
3 lines six (6) and seven (7) the words "ten percent of the tax
4 unpaid and due" and inserting in lieu thereof the following:

5 "two (2) percent of the tax unpaid and due to twelve (12)
6 o'clock a.m. of the third (3rd) day after due date and an
7 additional three (3) percent of the tax unpaid and due from
8 twelve (12) o'clock a.m. of the third (3rd) day to twelve
9 (12) o'clock a.m. of the tenth (10th) day after due date, and
10 an additional five (5) percent of the tax unpaid and due after
11 twelve (12) o'clock a.m. of the tenth (10th) day after due
12 date".

1 Sec. 21. Section three hundred twenty-four point sixty-
2 seven (324.67), Code 1966, is hereby amended by inserting in

3 line eighteen (18) after the word "address." the following
4 paragraph:

5 "If a licensee shall at any time abuse the privileges for
6 which the license was issued, fail to produce records reason-
7 ably requested by the treasurer or his deputies, or fail to
8 extend reasonable cooperation to the treasurer or his depu-
9 ties, the licensee shall be advised in writing of a hearing
10 scheduled to determine if said license shall be cancelled.
11 The treasurer upon the presentation of a preponderance of
12 evidence shall be allowed to cancel a license for cause."

1 Sec. 22. Section three hundred twenty-four point seventy-
2 four (324.74), Code 1966, is hereby amended as follows:

3 1. By inserting in line two (2) after the word "certi-
4 ficate" the words ", false fuel invoice, false fuel receipt,
5 or false fuel sales ticket".

6 2. By striking from line three (3) the words "or claim"
7 and inserting in lieu thereof the words ", claim, or evidence".

1 Amend Senate File 742 as follows:
2 1. Amend section eight (8) by inserting in line nine (9)
3 after the word "fuel" the words "for highway use".
4 2. Further amend section eight (8) by striking from line
5 nine (9) the word "or" and by inserting in lieu thereof the
6 word "and".
7 3. Further amend section eight (8) by striking the period
8 in line ten (10) and by inserting in lieu thereof the words
9 "into the fuel supply tank of a motor vehicle or commercial
10 motor vehicle owned or controlled by himself."
11 4. Amend section fourteen (14) by adding the following
12 subsections after subsection two (2):
13 a. By striking in lines twenty-four (24) and twenty-five
14 (25) the words "built by".
15 b. By striking the period in line twenty-seven (27) and
16 by inserting in lieu thereof the words "provided that such
17 refund must be in an amount of ten (10) dollars or more."
18 c. Further amend by renumbering the remaining subsection
19 in conformity with this amendment.
20 5. Amend section fifteen (15) by inserting in line six
21 (6) after the word "dollars" the words "such audit and
22 expenses shall be without cost to the state of Iowa,".

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Filed *Div. I withdrawn 5-16, Div. 2 and II adopted 5-16*
April 19, 1967 By HAGEDORN

1 Amend the Hagedorn amendment to Senate File 742, filed
2 April 19, 1967, as follows:
3 1. By striking from line five (5) the word "nine (9)" and
4 by inserting in lieu thereof the word "eight (8)".

Filed - *Adopted 5-9*
April 20, 1967 By HAGEDORN

1 Amend Senate File 742 as follows:
2 1. Amend Senate File 742 by striking all of section ten (10)
3 and inserting in lieu thereof the following:
4 Sec. 10. Section three hundred twenty-four point thirty-six
5 (324.36), subsection four (4), Code 1966, is hereby amended by
6 striking in line seven (7) the word "fifty" and inserting in
7 lieu thereof the words "two hundred (200)".

Filed - *Adopted 5-10*
May 8, 1967 By HAGEDORN

1 Amend Senate File 742 as follows:
2 1. Amend section fourteen (14) by adding the following
3 additional subsections thereto:
4 "3. By striking in lines twenty-four (24) and twenty-five
5 (25) the words 'built up'.
6 "4. By striking the period (.) in line twenty-seven (27)
7 and by inserting in lieu thereof the words 'provided that such
8 refund must be in an amount of ten (10) dollars or more.'"
9 2. Further amend section fourteen (14) by renumbering the
10 remaining subsection in conformity with this amendment.
11 3. Amend section fifteen (15) by inserting in line six (6)
12 after the word "dollars" the words "such audit and expenses
13 shall be without cost to the state of Iowa,".

Filed - *Adopted 5-15*
May 9, 1967 By HAGEDORN

1 Amend Senate File 742 as follows:
2 Amend the title of Senate File 742 by striking everything after
3 the word "Act" and insert in lieu thereof the following:
4 "to amend chapter three hundred twenty-four (324), Code 1966,
5 to extend powers and duties of the treasurer of the state, to
6 amend certain definitions, to authorize bond increases, to
7 certain regulation of commercial vehicles and to change provide
8 relating to penalties" provision

Filed - *Adopted 5-19*
May 15, 1967

By HAGEDORN

1 Amend the Hagedorn amendment to Senate File 742, filed May
2 9, 1967, as follows:
3 1. By inserting a comma before the word "such" in line
4 twelve (12).
5 2. By striking the comma in line thirteen (13).

Filed
May 16, 1967

By HAGEDORN

1 Amend Senate File 742, Section 14, by striking
2 subsection five (5), lines twelve (12) through
3 thirty (30) inclusive.

Filed
June 6, 1967

HOUSE AMENDMENT

1 Amend Senate File 742 by adding at the end thereof the
2 following additional section:
3 "Sec. 23. Section three hundred twenty-four point seven-
4 teen (324.17), Code 1966, is hereby amended by adding thereto
5 the following new subsection:
6 'Refunds shall be made of motor vehicle fuel taxes paid on
7 motor fuel placed in motor vehicles and used, other than on
8 public highways, in the extraction and processing of natural
9 deposits, without regard to whether such motor vehicles are
10 registered under section three hundred twenty-one point eight-
11 teen (321.18) of the Code. An applicant for a refund under
12 this subsection must maintain adequate records for a period
13 of three (3) years beyond the filing of the claim. The
14 treasurer will pay the claim upon the presentation of proof
15 which he may reasonably require.'"

Filed - *Adopted 5-15*
May 9, 1967

By RENO

1 Amend Senate File 742, Section 14 by striking subsection
2 five (5), line twelve (12) through thirty (30) inclusive.

Filed - *Adopted 6-5* *Just amended 6-7*
June 2, 1967

HOLDEN of Scott. *House*