

Wap-Mean
DO PASS 2-22-89 (p.493)

FILED FEB 07 1989
HOUSE WAYS & MEANS 3-2-89 (p.628)
DO PASS, 4-6-89 (p.1408) SENATE FILE 167
BY GRONSTAL

(COMPANION TO LSB 2110H
BY PAVICH)

Passed Senate, Date 2-27-89 (p.517) Passed House, Date 4-25-89 (p.1852)
Vote: Ayes 19 Nays 0 Vote: Ayes 94 Nays 0
Approved May 8, 1989

A BILL FOR

39371 An Act specifying that under certain circumstances a city is not
2 contiguous to another for purposes of a local option sales and
3 services tax.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 167

H-3937

1 Amend Senate File 167, as passed by the Senate, as
2 follows:
3 1. Page 1, by inserting after line 20 the
4 following:
5 "Sec. ____ . Section 422B.10, Code 1989, is amended
6 by adding the following new subsection:
7 NEW SUBSECTION. 6. Receipts of a local option
8 sales tax received by a local governing body as a
9 result of subsection 3, paragraphs "a" and "b", shall
10 be used by that governing body for the benefit of the
11 area whose population was used to determine that
12 share."
13 2. Title page, line 1, by inserting after the
14 word "Act" the following: "relating to local option
15 sales and services taxes, by".
16 3. Title page, line 3, by inserting after the
17 word "tax" the following: ", and by providing for the
18 distribution for tax receipts".

By SCHNEKLOTH of Scott

H-3937 FILED APRIL 10, 1989

NOT Germane 4-25-89 (p.1852)

1 Section 1. Section 422B.1, subsection 2, Code 1989, is
2 amended to read as follows:

3 2. A local option tax shall be imposed only after an
4 election at which a majority of those voting on the question
5 favors imposition and shall then be imposed until repealed as
6 provided in subsection 5, paragraph "a". If the tax is a
7 local vehicle tax imposed by a county, it shall apply to all
8 incorporated and unincorporated areas of the county. If the
9 tax is a local sales and services tax imposed by a county, it
10 shall only apply to those incorporated areas and the
11 unincorporated area of that county in which a majority of
12 those voting in the area on the tax favor its imposition. For
13 purposes of the local sales and services tax, all cities
14 contiguous to each other shall be treated as part of one
15 incorporated area and the tax would be imposed in each of
16 those contiguous cities only if the majority of those voting
17 in the total area covered by the contiguous cities favor its
18 imposition. For purposes of the local sales and services tax,
19 a city is not contiguous to another city if the only road
20 access between the two cities is through another state.

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21 EXPLANATION

22 Under present law when the question of the imposition of a
23 local sales and services tax is submitted to the voters, all
24 cities contiguous to each other are treated as one
25 incorporated area and the tax is imposed or not imposed
26 depending upon the vote in the total area and not each city.
27 The bill provides that a city is not contiguous to another
28 city if the only access roads between them are through another
29 state.

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imposition. For purposes of the local sales and services tax, a city is not contiguous to another city if the only road access between the two cities is through another state.

SENATE FILE 167

AN ACT

SPECIFYING THAT UNDER CERTAIN CIRCUMSTANCES A CITY IS NOT CONTIGUOUS TO ANOTHER FOR PURPOSES OF A LOCAL OPTION SALES AND SERVICES TAX.

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

Section 1. Section 422B.1, subsection 2, Code 1989, is amended to read as follows:

2. A local option tax shall be imposed only after an election at which a majority of those voting on the question favors imposition and shall then be imposed until repealed as provided in subsection 5, paragraph "a". If the tax is a local vehicle tax imposed by a county, it shall apply to all incorporated and unincorporated areas of the county. If the tax is a local sales and services tax imposed by a county, it shall only apply to those incorporated areas and the unincorporated area of that county in which a majority of those voting in the area on the tax favor its imposition. For purposes of the local sales and services tax, all cities contiguous to each other shall be treated as part of one incorporated area and the tax would be imposed in each of those contiguous cities only if the majority of those voting in the total area covered by the contiguous cities favor its

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 167, Seventy-third General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 8, 1989

FERRY E. BRANSTAD
Governor