

MAR 28 1996
WAYS & MEANS CALENDAR

HOUSE FILE 2487
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2417)

Passed House, Date 4/11/96 (p.1542) Passed Senate, Date _____
Vote: Ayes 94 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the price index for growth for purposes of the
2 property tax limitation.

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

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HF-2487

1 Section 1. Section 444.25A, subsection 2, paragraph e,
2 unnumbered paragraph 2, Code Supplement 1995, is amended to
3 read as follows:

4 For purposes of this paragraph, the price index for
5 government purchases by type for state and local governments
6 is defined by the bureau of economic analysis of the United
7 States department of commerce and published in table 7.11 of
8 the national income and products accounts. For the fiscal
9 years beginning July 1, 1995, and July 1, 1996, the price
10 index used shall be the revision published in the November
11 1994 and November 1995 issues, respectively, of the United
12 States department of commerce publication, "survey of current
13 business". For purposes of this paragraph, tax dollars levied
14 in the fiscal years beginning July 1, 1994, and July 1, 1995,
15 shall not include funds levied for paragraphs "a", "b", and
16 "c", and "d" of this subsection.

17 Sec. 2. Section 444.25B, subsection 2, paragraph e,
18 unnumbered paragraphs 1 and 2, Code Supplement 1995, are
19 amended to read as follows:

20 Unusual need for additional moneys to finance existing
21 programs which would provide substantial benefit to county
22 residents or compelling need to finance new programs which
23 would provide substantial benefit to county residents. The
24 increase in taxes levied under this exception for the fiscal
25 year beginning July 1, 1997, is limited to no more than the
26 product of the total tax dollars levied in the fiscal year
27 beginning July 1, 1996, and the percent change, computed to
28 two decimal places, ~~in-the-price-index-for-government~~
29 ~~purchases-by-type-for-state-and-local-governments-computed~~
30 between the preliminary price index for the third quarter of
31 calendar year 1996 from-that-computed and the revised price
32 index for the third quarter of calendar year 1995 as published
33 in the same issue in which the preliminary 1996 third quarter
34 price index is first published.

35 ~~For-purposes-of-this-paragraph, the-price-index-for~~

1 government-purchases-by-type-for-state-and-local-governments
 2 is-defined-by-the-bureau-of-economic-analysis-of-the-United
 3 States-department-of-commerce-and-published-in-table-7.11-of
 4 the-national-income-and-products-accounts. For the fiscal
 5 year beginning July 1, 1997, the price index used shall be the
 6 revision-published-in-the-November-1996-edition-of-the-United
 7 States-department-of-commerce-publication,"survey-of-current
 8 business" state and local government chain-type price index
 9 used in the quantity and price indexes for gross domestic
 10 product, as published by the bureau of economic analysis of
 11 the United States department of commerce in the national
 12 income and products accounts as published in "survey of
 13 current business". For purposes of this paragraph, tax
 14 dollars levied in the fiscal year beginning July 1, 1996,
 15 shall not include funds levied for paragraphs "a", "b", and
 16 "c", and "d" of this subsection.

17 EXPLANATION

18 This bill changes the government-published price index used
 19 to determine growth for counties under the property tax
 20 limitation. The bill provides that for the fiscal year
 21 beginning July 1, 1997, the price index shall be the state and
 22 local government chain-type price index published by the
 23 bureau of economic analysis of the United States department of
 24 commerce. The bill also makes a corrective change to add the
 25 emergency management levy for hazmat teams to the levies
 26 against which the growth factor may not be applied in fiscal
 27 years 1996-1997 and 1997-1998.

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