

APR 19 1995

WAYS & MEANS CALENDAR

HOUSE FILE 568

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 506)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the procedure for changing the use of revenues  
2 from a local option sales and services tax and providing an  
3 effective date.

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

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HF 568

1 Section 1. Section 422B.1, subsection 5, paragraph a,  
2 unnumbered paragraph 1, Code 1995, is amended to read as  
3 follows:

4 If a majority of those voting on the question of imposition  
5 of a local option tax favor imposition of a local option tax,  
6 the governing body of that county shall impose the tax at the  
7 rate specified for an unlimited period. However, in the case  
8 of a local sales and services tax, the county shall not impose  
9 the tax in any incorporated area or the unincorporated area if  
10 the majority of those voting on the tax in that area did not  
11 favor its imposition. For purposes of the local sales and  
12 services tax, all cities contiguous to each other shall be  
13 treated as part of one incorporated area and the tax shall be  
14 imposed in each of those contiguous cities only if the  
15 majority of those voting on the tax in the total area covered  
16 by the contiguous cities favored its imposition. The local  
17 option tax may be repealed or the rate increased or decreased  
18 or the use thereof changed after an election at which a  
19 majority of those voting on the question of repeal or rate or  
20 use change favored the repeal or rate or use change. The  
21 election at which the question of repeal or rate or use change  
22 is offered shall be called and held in the same manner and  
23 under the same conditions as provided in subsections 3 and 4  
24 for the election on the imposition of the local option tax.  
25 However, in the case of a local sales and services tax where  
26 the tax has not been imposed countywide, the question of  
27 repeal or imposition or rate or use change shall be voted on  
28 only by the qualified electors of the areas of the county  
29 where the tax has been imposed or has not been imposed, as  
30 appropriate. However, the governing body of the incorporated  
31 area or unincorporated area where the local sales and services  
32 tax is imposed may, upon its own motion, request the county  
33 commissioner of elections to hold an election in the  
34 incorporated or unincorporated area, as appropriate, on the  
35 question of the change in use of local sales and services tax

1 revenues. The election may be held at any time but not sooner  
2 than sixty days following publication of the ballot  
3 proposition. If a majority of those voting in the  
4 incorporated or unincorporated area on the change in use favor  
5 the change, the governing body of that area shall change the  
6 use to which the revenues shall be used. The ballot  
7 proposition shall list the present use of the revenues, the  
8 proposed use, and the date after which revenues received will  
9 be used for the new use.

10 Sec. 2. This Act, being deemed of immediate importance,  
11 takes effect upon enactment.

12 EXPLANATION

13 Present law requires all areas in the county in which a  
14 county local option sales and services tax has been imposed to  
15 have an election to vote on the change in the use of the  
16 revenues from such tax even if only one area wants to change  
17 its use of the revenues. The bill makes it possible for each  
18 area, upon the request of the governing body for that area, to  
19 have its own election to vote on its proposed change in use.

20 The bill takes effect upon enactment.

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