

1934  
LOCAL GOVERNMENT

HOUSE FILE 135  
BY MUNDIE

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the appropriation of franchise tax revenue to  
2 cities and counties.

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

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HF 135

1 Section 1. Section 331.427, subsection 1, unnumbered  
2 paragraph 1, Code 1999, is amended to read as follows:

3 Except as otherwise provided by state law, county revenues  
4 from taxes and other sources for general county services shall  
5 be credited to the general fund of the county, including  
6 revenues received under sections 101A.3, 101A.7, 123.36,  
7 123.143, 142B.6, 176A.8, 321.105, 321.152, 321G.7, section  
8 331.554, subsection 6, sections 341A.20, 364.3, 368.21,  
9 422.65, 422A.2, 428A.8, 430A.3, 433.15, 434.19, 445.57,  
10 453A.35, 458A.21, 483A.12, 533.24, 556B.1, 567.10, 583.6,  
11 602.8108, 904.908, and 906.17, and chapter 405A, and the  
12 following:

13 Sec. 2. Section 422.65, Code 1999, is amended to read as  
14 follows:

15 422.65 ALLOCATION OF REVENUE.

16 All moneys received from the franchise tax shall be  
17 deposited in the state general fund. Commencing with the  
18 fiscal year beginning July 1, 1999, there is appropriated for  
19 each fiscal year all the franchise tax moneys received and  
20 deposited in the state general fund. Franchise tax moneys  
21 appropriated in ~~section-405A-10-are-allocated~~ this section  
22 shall be paid quarterly as follows:

23 1. Sixty percent to the general fund of the city from  
24 which the tax is collected.

25 2. Forty percent to the county from which the tax is  
26 collected.

27 If the financial institution maintains one or more offices  
28 for the transaction of business, other than its principal  
29 office, a portion of its franchise tax shall be allocated to  
30 each office, based upon a reasonable measure of the business  
31 activity of each office. The director shall prescribe, for  
32 each type of financial institution, a method of measuring the  
33 business activity of each office. Financial institutions  
34 shall furnish all necessary information for this purpose at  
35 the request of the director.

1 Quarterly, the director shall certify to the treasurer of  
 2 state the amounts to be paid to each city and county from the  
 3 state general fund. All moneys received from the franchise  
 4 tax are appropriated according to this section.

5 Sec. 3. Section 405A.10, Code 1999, is repealed.

6 EXPLANATION

7 Commencing with the 1999-2000 fiscal year, the bill  
 8 appropriates all franchise tax revenues received by the state  
 9 to the general fund of each city and county where the state  
 10 revenue is collected. The allocation is 60 percent to the  
 11 city and 40 percent to the county where collected. Presently  
 12 \$8.8 million is appropriated in this manner.

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