

Rants, chair

HSB 250

WAYS AND MEANS

SF/HF 247

Larson

HOUSE FILE _____

Richardson

BY (PROPOSED COMMITTEE ON WAYS AND MEANS BILL BY CHAIRPERSON VAN FOSSEN)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the local option sales and services taxes and
2 including an effective date and retroactive applicability
3 provision.

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

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1 ~~Section 1.~~ Section 422B.8, unnumbered paragraph 1, Code
2 1999, is amended to read as follows:

3 A local sales and services tax at the rate of not more than
4 one percent may be imposed by a county on the gross receipts
5 taxed by the state under chapter 422, division IV. A local
6 sales and services tax shall be imposed on the same basis as
7 the state sales and services tax and may shall not be imposed
8 on the sale of any property or on any service not taxed by the
9 state, except the tax shall not be imposed on the gross
10 receipts from the sale of motor fuel or special fuel as
11 defined in chapter 452A, on the gross receipts from the rental
12 of rooms, apartments, or sleeping quarters which are taxed
13 under chapter 422A during the period the hotel and motel tax
14 is imposed, on the gross receipts from the sale of natural gas
15 or electric energy in a city or county where the gross
16 receipts are subject to a franchise fee or user fee during the
17 period the franchise or user fee is imposed, on the gross
18 receipts from the sale of equipment by the state department of
19 transportation, on the gross receipts from the sale of
20 personal property from a vending machine operated by insertion
21 of a coin, paper currency, token, card, or key, and on the
22 gross receipts from the sale of a lottery ticket or share in a
23 lottery game conducted pursuant to chapter 99E. A local sales
24 and services tax is applicable to transactions within those
25 incorporated and unincorporated areas of the county where it
26 is imposed and shall be collected by all persons required to
27 collect state gross receipts taxes. All cities contiguous to
28 each other shall be treated as part of one incorporated area
29 and the tax would be imposed in each of those contiguous
30 cities only if the majority of those voting in the total area
31 covered by the contiguous cities favor its imposition.

32 Sec. 2. Section 422E.2, subsection 2, Code 1999, is
33 amended by adding the following new paragraph:

34 NEW PARAGRAPH. c. The rate and duration of tax, and text
35 of the ballot proposition, shall be determined as follows:

1 (1) For a tax requested by the governing body or bodies of
 2 a school district or districts pursuant to paragraph "b", the
 3 rate and duration of tax shall be established by the governing
 4 body of each school district which adopted a motion requesting
 5 imposition of the tax within the county. If the governing
 6 body of more than one school district adopts a motion, and the
 7 rate or duration established in the motions differs, the
 8 county board of supervisors shall establish the rate, the
 9 duration, or both if applicable, in consultation with the
 10 governing bodies of the school districts which adopted a
 11 motion requesting imposition of the tax. For a tax imposed by
 12 petition pursuant to paragraph "a", or by the county board of
 13 supervisors pursuant to paragraph "b", the rate and duration
 14 of tax shall be established by the county board of supervisors
 15 in consultation with the governing bodies of all the school
 16 districts located in the county.

17 (2) For a tax requested by the governing body or bodies of
 18 a school district or districts pursuant to paragraph "b", the
 19 purpose or purposes for which the revenues shall be expended
 20 shall be determined by the governing body of each school
 21 district located within the county. The school district shall
 22 notify the county board of supervisors of the purposes
 23 identified. The county commissioner of elections shall
 24 determine the text of the ballot proposition, which shall be
 25 uniform throughout the county, and which shall separately list
 26 the specific purposes for which revenues shall be expended for
 27 each school district. Revenue shall not be expended for a
 28 purpose authorized in this chapter unless that purpose was
 29 identified by a school district prior to the election and
 30 listed by the county commissioner of elections on the ballot
 31 proposition. For a tax requested by petition pursuant to
 32 paragraph "a", or by the county board of supervisors pursuant
 33 to paragraph "b", the purpose or purposes for which the
 34 revenues shall be expended shall be established by the county
 35 board of supervisors in consultation with the governing bodies

1 of all the school districts located in the county.

2 (3) The county board of supervisors shall file the rate
3 and duration of tax, and statements of purposes for revenue
4 expenditure, with the commissioner of elections no later than
5 fourteen days prior to the publication of notice of the ballot
6 proposition.

7 Sec. 3. Section 422E.2, subsection 3, Code 1999, is
8 amended to read as follows:

9 3. The county commissioner of elections shall submit the
10 question of imposition of a local sales and services tax for
11 school infrastructure purposes at a state general election or
12 at a special election ~~held-at-any-time-other-than-the-time-of~~
13 ~~a-city-regular-election.~~ The special election shall not be
14 held in conjunction with any city or school election. The
15 election shall not be held sooner than sixty days after
16 publication of notice of the ballot proposition by the county
17 commissioner of elections. The ballot proposition shall
18 specify the rate of tax, the date the tax will be imposed and
19 repealed, and shall contain a statement as to the specific
20 purpose or purposes for which the revenues shall be expended.
21 ~~The-rate-of-tax-shall-not-be-more-than-one-percent-as-set-by~~
22 ~~the-county-board-of-supervisors.~~ The state commissioner of
23 elections shall establish by rule the form for the ballot
24 proposition which form shall be uniform throughout the state.

25 Sec. 4. Section 422E.2, subsection 4, paragraph a, Code
26 1999, is amended to read as follows:

27 a. The tax may be repealed or the rate increased, but not
28 above one percent, or decreased after an election at which a
29 majority of those voting on the question of repeal or rate
30 change favored the repeal or rate change. The election at
31 which the question of repeal or rate change is offered shall
32 be called and held in the same manner and under the same
33 conditions as provided in this section for the election on the
34 imposition of the tax. ~~The-election-may-be-held-at-any-time~~
35 ~~but-not-sooner-than-sixty-days-following-publication-of-the~~

1 ~~ballot-proposition. However, the~~ The tax shall not be
2 repealed before it has been in effect for one year.

3 Sec. 5. Section 422E.2, subsection 4, paragraph b,
4 unnumbered paragraph 1, Code 1999, is amended to read as
5 follows:

6 Within ten days of the election at which a majority of
7 those voting on the question favors the imposition, repeal, or
8 change in the rate of the tax, the county board of supervisors
9 shall give written notice to the director of revenue and
10 finance of the result of the election. Election costs shall
11 be apportioned among school districts within the county on a
12 pro rata basis in proportion to the number of registered
13 voters in each school district who reside in the county and
14 the total number of registered voters in all of the school
15 districts within the county who reside in the county.

16 Sec. 6. Section 422E.3, subsection 2, Code 1999, is
17 amended to read as follows:

18 2. The tax shall be imposed on the same basis as the state
19 sales and services tax and shall not be imposed on the sale of
20 any property or on any service not taxed by the state, except
21 the tax shall not be imposed on the gross receipts from the
22 sale of natural gas or electric energy in a city or county
23 where the gross receipts are subject to a franchise fee or
24 user fee during the period the franchise or user fee is
25 imposed, on the gross receipts from the sale of motor fuel or
26 special fuel as defined in chapter 452A, on the gross receipts
27 from the rental of rooms, apartments, or sleeping quarters
28 which are taxed under chapter 422A during the period the hotel
29 and motel tax is imposed, on the gross receipts from the sale
30 of equipment by the state department of transportation, and on
31 the gross receipts from the sale of a lottery ticket or share
32 in a lottery game conducted pursuant to chapter 99E.

33 Sec. 7. Section 422E.3, subsection 2, Code 1999, is
34 amended to read as follows:

35 2. The tax shall be imposed on the same basis as the state

1 sales and services tax and shall not be imposed on the sale of
2 any property or on any service not taxed by the state, except
3 the tax shall not be imposed on the gross receipts from the
4 sale of motor fuel or special fuel as defined in chapter 452A,
5 on the gross receipts from the rental of rooms, apartments, or
6 sleeping quarters which are taxed under chapter 422A during
7 the period the hotel and motel tax is imposed, on the gross
8 receipts from the sale of equipment by the state department of
9 transportation, on the gross receipts from the sale of
10 personal property from a vending machine operated by insertion
11 of a coin, paper currency, token, card, or key, and on the
12 gross receipts from the sale of a lottery ticket or share in a
13 lottery game conducted pursuant to chapter 99E.

14 Sec. 8. Section 422E.3, subsection 5, paragraph c, Code
15 1999, is amended to read as follows:

16 c. The director shall remit a final payment of the
17 remainder of tax moneys due for the fiscal year before
18 November 10 of the next fiscal year. If an overpayment has
19 resulted during the previous fiscal year, the first November
20 payment of-the-new-fiscal-year shall be adjusted to reflect
21 any overpayment.

22 Sec. 9. Section 422E.3, Code 1999, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 7. Construction contractors may make
25 application to the department for a refund of the additional
26 local sales and services tax paid under this chapter by reason
27 of taxes paid on goods, wares, or merchandise under the
28 conditions specified in section 422B.11. The refund shall be
29 paid by the department from the appropriate school district's
30 account in the local sales and services tax fund. The penalty
31 provisions contained in section 422B.11, subsection 3, shall
32 apply regarding an erroneous application for refund of local
33 sales and services tax paid under this chapter.

34 Sec. 10. EFFECTIVE DATE. This Act, being deemed of
35 immediate importance, takes effect upon enactment. Sections

1 5, 6, and 9 of this Act are retroactively applicable to July
 2 1, 1998, for apportionment of election costs for elections
 3 held on or after that date, for exemption of the tax on gross
 4 receipts from the sale of natural gas or electric energy
 5 subject to a franchise fee or user fee, and for refunds of tax
 6 payable to construction contractors, respectively.

EXPLANATION

7
 8 This bill amends provisions regarding the regular and
 9 school district local option sales and services taxes.

10 The bill contains provisions relating to the determination
 11 of, and contents of, ballot propositions for imposition of the
 12 local option sales tax for school districts. The bill
 13 provides that the rate and duration of tax will be established
 14 by the governing bodies of the school districts located within
 15 the county. The bill provides, however, that the county board
 16 of supervisors shall establish the rate of tax, duration of
 17 tax, or both in consultation with the school districts if the
 18 governing bodies of the school districts establish different
 19 rates or durations of tax.

20 The bill provides that the text of the ballot proposition,
 21 determined by the county commissioner of elections, will be
 22 uniform throughout a county, and will separately list the
 23 specific purposes for which the revenues shall be expended for
 24 each school district located within the county. The
 25 respective purposes for which the revenues shall be expended
 26 shall be determined by each school district, conveyed to the
 27 county board of supervisors, and filed with the commissioner
 28 for incorporation onto the ballot. The bill provides that
 29 revenue cannot be expended for a purpose authorized by Code
 30 chapter 422E if not listed on the ballot proposition. The
 31 bill also provides that the rate and duration of tax, and
 32 statements of purposes for revenue expenditure, shall be filed
 33 with the commissioner of elections by the county board of
 34 supervisors no later than 14 days prior to the publication of
 35 notice of the ballot proposition.

1 The bill provides that the county board of supervisors will
2 establish the rate, duration, and text of the ballot
3 proposition in the event of a request to impose the school
4 district local option tax by petition or by the county board
5 of supervisors.

6 The bill provides that regarding the apportionment of
7 election costs among school districts within the county on a
8 pro rata basis, the pro rata allocation shall be determined
9 strictly with regard to registered voters residing in the
10 county.

11 The bill provides that a special election held on the
12 question of imposition of the local option school district
13 sales and services tax, or with regard to repeal, rate, or
14 duration change, shall not be held in conjunction with any
15 city or school election.

16 The bill also provides that the gross receipts from the
17 sale of natural gas or electric energy, in a city or county
18 where the gross receipts are subject to a franchise fee or
19 user fee during the period the franchise or user fee is
20 imposed, will be exempt from the local option school district
21 sales tax.

22 In addition, the bill provides that construction
23 contractors can apply for a refund of additional local sales
24 and services tax paid pursuant to the provisions of Code
25 section 422B.11, with the refund paid out of the appropriate
26 school district's account in the local sales and services tax
27 fund.

28 The bill provides that the director of revenue and finance
29 will adjust the payment due in November with regard to any
30 overpayment for the previous fiscal year.

31 The bill exempts from the local option sales and services
32 tax and the local option school infrastructure sales and
33 services tax the gross receipts from sales of personal
34 property made by means of vending machines operated by
35 insertion of coins, paper currencies, tokens, cards, or keys.

1 The bill takes effect upon enactment, and applies
 2 retroactively to July 1, 1998, with regard to apportionment of
 3 election costs for elections held on or after that date,
 4 exemption of the tax on gross receipts from the sale of
 5 natural gas or electric energy subject to a franchise fee or
 6 user fee, and refunds of tax payable to construction
 7 contractors.

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MAR 26 1999

WAYS & MEANS CALENDAR

HOUSE FILE 747
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 250)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the local option sales and services taxes and
2 including an effective date and retroactive applicability
3 provision.

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

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HF 747

1 Section 1. Section 422B.8, unnumbered paragraph 1, Code
2 1999, is amended to read as follows:

3 A local sales and services tax at the rate of not more than
4 one percent may be imposed by a county on the gross receipts
5 taxed by the state under chapter 422, division IV. A local
6 sales and services tax shall be imposed on the same basis as
7 the state sales and services tax and ~~may~~ shall not be imposed
8 on the sale of any property or on any service not taxed by the
9 state, except the tax shall not be imposed on the gross
10 receipts from the sale of motor fuel or special fuel as
11 defined in chapter 452A, on the gross receipts from the rental
12 of rooms, apartments, or sleeping quarters which are taxed
13 under chapter 422A during the period the hotel and motel tax
14 is imposed, on the gross receipts from the sale of natural gas
15 or electric energy in a city or county where the gross
16 receipts are subject to a franchise fee or user fee during the
17 period the franchise or user fee is imposed, on the gross
18 receipts from the sale of equipment by the state department of
19 transportation, on the gross receipts from the sale of
20 personal property from a vending machine operated by insertion
21 of a coin, paper currency, token, card, or key, and on the
22 gross receipts from the sale of a lottery ticket or share in a
23 lottery game conducted pursuant to chapter 99E. A local sales
24 and services tax is applicable to transactions within those
25 incorporated and unincorporated areas of the county where it
26 is imposed and shall be collected by all persons required to
27 collect state gross receipts taxes. All cities contiguous to
28 each other shall be treated as part of one incorporated area
29 and the tax would be imposed in each of those contiguous
30 cities only if the majority of those voting in the total area
31 covered by the contiguous cities favor its imposition.

32 Sec. 2. Section 422E.2, subsection 2, Code 1999, is
33 amended by adding the following new paragraph:

34 NEW PARAGRAPH. c. The rate and duration of tax, and text
35 of the ballot proposition, shall be determined as follows:

1 (1) For a tax requested by the governing body or bodies of
2 a school district or districts pursuant to paragraph "b", the
3 rate and duration of tax shall be established by the governing
4 body of each school district which adopted a motion requesting
5 imposition of the tax within the county. If the governing
6 body of more than one school district adopts a motion, and the
7 rate or duration established in the motions differs, the
8 county board of supervisors shall establish the rate, the
9 duration, or both if applicable, in consultation with the
10 governing bodies of the school districts which adopted a
11 motion requesting imposition of the tax. For a tax imposed by
12 petition pursuant to paragraph "a", or by the county board of
13 supervisors pursuant to paragraph "b", the rate and duration
14 of tax shall be established by the county board of supervisors
15 in consultation with the governing bodies of all the school
16 districts located in the county.

17 (2) For a tax requested by the governing body or bodies of
18 a school district or districts pursuant to paragraph "b", the
19 purpose or purposes for which the revenues shall be expended
20 shall be determined by the governing body of each school
21 district located within the county. The school district shall
22 notify the county board of supervisors of the purposes
23 identified. The county commissioner of elections shall
24 determine the text of the ballot proposition, which shall be
25 uniform throughout the county, and which shall separately list
26 the specific purposes for which revenues shall be expended for
27 each school district. Revenue shall not be expended for a
28 purpose authorized in this chapter unless that purpose was
29 identified by a school district prior to the election and
30 listed by the county commissioner of elections on the ballot
31 proposition. For a tax requested by petition pursuant to
32 paragraph "a", or by the county board of supervisors pursuant
33 to paragraph "b", the purpose or purposes for which the
34 revenues shall be expended shall be established by the county
35 board of supervisors in consultation with the governing bodies

1 of all the school districts located in the county.

2 (3) The county board of supervisors shall file the rate
3 and duration of tax, and statements of purposes for revenue
4 expenditure, with the commissioner of elections no later than
5 fourteen days prior to the publication of notice of the ballot
6 proposition.

7 Sec. 3. Section 422E.2, subsection 3, Code 1999, is
8 amended to read as follows:

9 3. The county commissioner of elections shall submit the
10 question of imposition of a local sales and services tax for
11 school infrastructure purposes at a state general election or
12 at a special election ~~held-at-any-time-other-than-the-time-of~~
13 ~~a-city-regular-election.~~ The special election shall not be
14 held in conjunction with any city or school election. The
15 election shall not be held sooner than sixty days after
16 publication of notice of the ballot proposition by the county
17 commissioner of elections. The ballot proposition shall
18 specify the rate of tax, the date the tax will be imposed and
19 repealed, and shall contain a statement as to the specific
20 purpose or purposes for which the revenues shall be expended.
21 ~~The-rate-of-tax-shall-not-be-more-than-one-percent-as-set-by~~
22 ~~the-county-board-of-supervisors.~~ The state commissioner of
23 elections shall establish by rule the form for the ballot
24 proposition which form shall be uniform throughout the state.

25 Sec. 4. Section 422E.2, subsection 4, paragraph a, Code
26 1999, is amended to read as follows:

27 a. The tax may be repealed or the rate increased, but not
28 above one percent, or decreased after an election at which a
29 majority of those voting on the question of repeal or rate
30 change favored the repeal or rate change. The election at
31 which the question of repeal or rate change is offered shall
32 be called and held in the same manner and under the same
33 conditions as provided in this section for the election on the
34 imposition of the tax. ~~The-election-may-be-held-at-any-time~~
35 ~~but-not-sooner-than-sixty-days-following-publication-of-the~~

1 ~~ballot-proposition.~~ However, ~~the~~ The tax shall not be
2 repealed before it has been in effect for one year.

3 Sec. 5. Section 422E.2, subsection 4, paragraph b,
4 unnumbered paragraph 1, Code 1999, is amended to read as
5 follows:

6 Within ten days of the election at which a majority of
7 those voting on the question favors the imposition, repeal, or
8 change in the rate of the tax, the county board of supervisors
9 shall give written notice to the director of revenue and
10 finance of the result of the election. Election costs shall
11 be apportioned among school districts within the county on a
12 pro rata basis in proportion to the number of registered
13 voters in each school district who reside in the county and
14 the total number of registered voters in all of the school
15 districts within the county who reside in the county.

16 Sec. 6. Section 422E.3, subsection 2, Code 1999, is
17 amended to read as follows:

18 2. The tax shall be imposed on the same basis as the state
19 sales and services tax and shall not be imposed on the sale of
20 any property or on any service not taxed by the state, except
21 the tax shall not be imposed on the gross receipts from the
22 sale of natural gas or electric energy in a city or county
23 where the gross receipts are subject to a franchise fee or
24 user fee during the period the franchise or user fee is
25 imposed, on the gross receipts from the sale of motor fuel or
26 special fuel as defined in chapter 452A, on the gross receipts
27 from the rental of rooms, apartments, or sleeping quarters
28 which are taxed under chapter 422A during the period the hotel
29 and motel tax is imposed, on the gross receipts from the sale
30 of equipment by the state department of transportation, and on
31 the gross receipts from the sale of a lottery ticket or share
32 in a lottery game conducted pursuant to chapter 99E.

33 Sec. 7. Section 422E.3, subsection 2, Code 1999, is
34 amended to read as follows:

35 2. The tax shall be imposed on the same basis as the state

1 sales and services tax and shall not be imposed on the sale of
2 any property or on any service not taxed by the state, except
3 the tax shall not be imposed on the gross receipts from the
4 sale of motor fuel or special fuel as defined in chapter 452A,
5 on the gross receipts from the rental of rooms, apartments, or
6 sleeping quarters which are taxed under chapter 422A during
7 the period the hotel and motel tax is imposed, on the gross
8 receipts from the sale of equipment by the state department of
9 transportation, on the gross receipts from the sale of
10 personal property from a vending machine operated by insertion
11 of a coin, paper currency, token, card, or key, and on the
12 gross receipts from the sale of a lottery ticket or share in a
13 lottery game conducted pursuant to chapter 99E.

14 Sec. 8. Section 422E.3, subsection 5, paragraph c, Code
15 1999, is amended to read as follows:

16 c. The director shall remit a final payment of the
17 remainder of tax moneys due for the fiscal year before
18 November 10 of the next fiscal year. If an overpayment has
19 resulted during the previous fiscal year, the first November
20 payment of-the-new-fiscal-year shall be adjusted to reflect
21 any overpayment.

22 Sec. 9. Section 422E.3, Code 1999, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 7. Construction contractors may make
25 application to the department for a refund of the additional
26 local sales and services tax paid under this chapter by reason
27 of taxes paid on goods, wares, or merchandise under the
28 conditions specified in section 422B.11. The refund shall be
29 paid by the department from the appropriate school district's
30 account in the local sales and services tax fund. The penalty
31 provisions contained in section 422B.11, subsection 3, shall
32 apply regarding an erroneous application for refund of local
33 sales and services tax paid under this chapter.

34 Sec. 10. Section 422E.4, unnumbered paragraph 2, Code
35 1999, is amended to read as follows:

1 A school district in which a local option sales tax for
2 school infrastructure purposes has been imposed shall be
3 authorized to enter into a chapter 28E agreement with one or
4 more cities or a county whose boundaries encompass all or a
5 part of the area of the school district. A city or cities
6 entering into a chapter 28E agreement shall be authorized to
7 expend its designated portion of the local option sales and
8 services tax revenues for any valid purpose permitted in this
9 chapter or authorized by the governing body of the city. A
10 county entering into a chapter 28E agreement with a school
11 district in which a local option sales tax for school
12 infrastructure purposes has been imposeu shall be authorized
13 to expend its designated portion of the local option sales and
14 services tax revenues to provide property tax relief within
15 the boundaries of the school district located in the county.
16 A school district shall be authorized to enter into a chapter
17 28E agreement pursuant to this section only if the ballot
18 proposition concerning imposition of the tax included entering
19 into a chapter 28E agreement as a potential use of the
20 revenue.

21 Sec. 11. EFFECTIVE DATE. This Act, being deemed of
22 immediate importance, takes effect upon enactment. Sections
23 5, 6, and 9 of this Act are retroactively applicable to July
24 1, 1998, for apportionment of election costs for elections
25 held on or after that date, for exemption of the tax on gross
26 receipts from the sale of natural gas or electric energy
27 subject to a franchise fee or user fee, and for refunds of tax
28 payable to construction contractors, respectively.

29 EXPLANATION

30 This bill amends provisions regarding the regular and
31 school district local option sales and services taxes.

32 The bill contains provisions relating to the determination
33 of, and contents of, ballot propositions for imposition of the
34 local option sales tax for school districts. The bill
35 provides that the rate and duration of tax will be established

1 by the governing bodies of the school districts located within
2 the county. The bill provides, however, that the county board
3 of supervisors shall establish the rate of tax, duration of
4 tax, or both in consultation with the school districts if the
5 governing bodies of the school districts establish different
6 rates or durations of tax.

7 The bill provides that the text of the ballot proposition,
8 determined by the county commissioner of elections, will be
9 uniform throughout a county, and will separately list the
10 specific purposes for which the revenues shall be expended for
11 each school district located within the county. The
12 respective purposes for which the revenues shall be expended
13 shall be determined by each school district, conveyed to the
14 county board of supervisors, and filed with the commissioner
15 for incorporation onto the ballot. The bill provides that
16 revenue cannot be expended for a purpose authorized by Code
17 chapter 422E if not listed on the ballot proposition. The
18 bill also provides that the rate and duration of tax, and
19 statements of purposes for revenue expenditure, shall be filed
20 with the commissioner of elections by the county board of
21 supervisors no later than 14 days prior to the publication of
22 notice of the ballot proposition.

23 The bill provides that the county board of supervisors will
24 establish the rate, duration, and text of the ballot
25 proposition in the event of a request to impose the school
26 district local option tax by petition or by the county board
27 of supervisors.

28 The bill provides that regarding the apportionment of
29 election costs among school districts within the county on a
30 pro rata basis, the pro rata allocation shall be determined
31 strictly with regard to registered voters residing in the
32 county.

33 The bill provides that a special election held on the
34 question of imposition of the local option school district
35 sales and services tax, or with regard to repeal, rate, or

1 duration change, shall not be held in conjunction with any
2 city or school election.

3 The bill also provides that the gross receipts from the
4 sale of natural gas or electric energy, in a city or county
5 where the gross receipts are subject to a franchise fee or
6 user fee during the period the franchise or user fee is
7 imposed, will be exempt from the local option school district
8 sales tax.

9 In addition, the bill provides that construction
10 contractors can apply for a refund of additional local sales
11 and services tax paid pursuant to the provisions of Code
12 section 422B.11, with the refund paid out of the appropriate
13 school district's account in the local sales and services tax
14 fund.

15 The bill provides that the director of revenue and finance
16 will adjust the payment due in November with regard to any
17 overpayment for the previous fiscal year.

18 The bill exempts from the local option sales and services
19 tax and the local option school infrastructure sales and
20 services tax the gross receipts from sales of personal
21 property made by means of vending machines operated by
22 insertion of coins, paper currencies, tokens, cards, or keys.

23 The bill allows a school district and a county to enter
24 into an agreement to share revenues. However, before this may
25 be done, the ballot proposition must specify that such
26 agreement may be entered into. In addition, the bill provides
27 that the revenues received by the county may only be used for
28 property tax relief within the school district.

29 The bill takes effect upon enactment, and applies
30 retroactively to July 1, 1998, with regard to apportionment of
31 election costs for elections held on or after that date,
32 exemption of the tax on gross receipts from the sale of
33 natural gas or electric energy subject to a franchise fee or
34 user fee, and refunds of tax payable to construction
35 contractors.

HOUSE FILE 747

H-1363

1 Amend House File 747 as follows:

2 1. By striking page 1, line 32, through page 4,
3 line 2.

4 2. By striking page 5, line 34, through page 6,
5 line 20, and inserting the following:

6 "Sec. 100. NEW SECTION. 422E.6 REPEAL OF
7 CHAPTER.

8 This chapter is repealed on the effective date of
9 this section. However, any local sales and services
10 tax for school infrastructure purposes imposed prior
11 to the repeal of this chapter shall continue to be
12 imposed until the expiration of the period specified
13 in section 422E.1, subsection 2, or on an earlier date
14 if a subsequent election is held to repeal the tax on
15 an earlier date."

16 3. Page 6, line 23, by striking the word and
17 figure "and 9" and inserting the following: "9, and
18 100".

19 4. Page 6, line 27, by striking the word "and".

20 5. Page 6, line 28, by inserting after the word
21 "contractors," the following: "and for the repeal of
22 the local sales and services tax for school
23 infrastructure purposes,".

By DIX of Butler

H-1363 FILED MARCH 31, 1999

HOUSE FILE 747

H-1358

1 Amend House File 747 as follows:

2 1. Page 1, by striking lines 1 through 31.

3 2. By striking page 4, line 33, through page 5,
4 line 13.

By SHOULTZ of Black Hawk

JENKINS of Black Hawk

SCHRADER of Marion

HOFFMAN of Crawford

HOLMES of Scott

H-1358 FILED MARCH 31, 1999

HOUSE FILE 747

H-1440

1 Amend House File 747 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 422B.1, subsection 6,
5 paragraph b, Code 1999, is amended to read as follows:

6 b. Within ten days of the election at which a
7 majority of those voting on the question favors the
8 imposition, repeal, or change in the rate of a local
9 option tax, the governing-body county auditor shall
10 give written notice by sending a copy of the abstract
11 of the ballot from the favorable election to the
12 director of revenue and finance or, in the case of a
13 local vehicle tax, to the director of the department
14 of transportation, of the result of the election."

15 2. Page 1, line 27, by inserting after the word
16 "taxes." the following: "However, a person required
17 to collect state retail sales tax under chapter 422,
18 division IV, is not required to collect local sales
19 and services tax on transactions delivered within the
20 area where the local sales and services tax is imposed
21 unless the person has physical presence in that taxing
22 area."

23 3. Page 1, by inserting after line 31 the
24 following:

25 "Sec. ____ . Section 422B.10, subsection 3, Code
26 1999, is amended by adding the following new
27 paragraph:

28 NEW PARAGRAPH. c. If a subsequent certified
29 census exists which modifies that most recent
30 certified federal census for a participating
31 jurisdiction under paragraphs "a" and "b", the
32 computations under paragraphs "a" and "b" shall
33 utilize the subsequent certified census in the
34 distribution formula under rules established by the
35 director of revenue and finance."

36 4. Page 4, line 8, by striking the words "board
37 of supervisors" and inserting the following: "board
38 of-supervisors auditor".

39 5. Page 4, line 9, by inserting after the word
40 "notice" the following: "by sending a copy of the
41 abstract of ballot from the favorable election".

42 6. Page 5, by inserting before line 14 the
43 following:

44 "Sec. ____ . Section 422E.3, subsection 3, Code
45 1999, is amended to read as follows:

46 3. The tax is applicable to transactions within
47 the county where it is imposed and shall be collected
48 by all persons required to collect state gross
49 receipts taxes. However, a person required to collect
50 state retail sales tax under chapter 422, division IV,

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1 is not required to collect local sales and services
2 tax on transactions delivered within the area where
3 the local sales and services tax is imposed unless the
4 person has physical presence in that taxing area. The
5 amount of the sale, for purposes of determining the
6 amount of the tax, does not include the amount of any
7 state gross receipts taxes or other local option sales
8 taxes. A tax permit other than the state tax permit
9 required under section 422.53 shall not be required by
10 local authorities."

By RANTS of Woodbury

H-1440 FILED APRIL 6, 1999

HOUSE FILE 747

H-1629

1 Amend House File 747 as follows:
2 1. Page 6, line 23, by striking the word and
3 figure "and 9" and inserting the following: "9, and
4 10".
5 2. Page 6, line 27, by striking the word "and".
6 3. Page 6, line 28, by inserting after the word
7 "contractors," the following: "and for permitting a
8 school district and a county to enter into a chapter
9 28E agreement to provide for property tax relief,".

By OSTERHAUS of Jackson

H-1629 FILED APRIL 14, 1999

HOUSE FILE 747

H-1706

1 Amend the amendment, H-1363, to House File 747 as
2 follows:
3 1. Page 1, by inserting after line 1 the
4 following:
5 _____. Page 1, by striking lines 1 through 31 and
6 inserting the following:
7 "Sec. _____. NEW SECTION. 422B.13 REPEAL OF
8 CHAPTER.
9 This chapter is repealed on July 1, 1999. However,
10 in those areas where the local sales and services tax
11 was imposed prior to July 1, 1999, and those areas
12 have obligations payable as provided in section
13 422B.12 which are outstanding, the local sales and
14 services tax shall continue to be imposed in such
15 areas until the obligations are paid, at which time
16 the local option sales and services tax shall be
17 repealed at the end of the first calendar quarter
18 following the date the obligations are paid."

By RANTS of Woodbury

H-1706 FILED APRIL 20, 1999

HOUSE FILE 747

H-1489

1 Amend House File 747 as follows:

2 1. Page 1, by inserting before line 32 the
3 following:

4 "Sec. 120. Section 422E.1, subsection 1, Code
5 1999, is amended to read as follows:

6 1. A local sales and services tax for school
7 infrastructure purposes may be imposed by a county on
8 behalf of school districts located anywhere in the
9 state as provided in this chapter. A school district
10 may receive a portion of local sales and services tax
11 receipts regardless of whether or not it is located in
12 a county that imposes the tax as provided in section
13 422E.3, subsection 5."

14 2. Page 5, by striking lines 14 through 21 and
15 inserting the following:

16 "Sec. 121. Section 422E.3, subsection 4, Code
17 1999, is amended to read as follows:

18 4. The director of revenue and finance shall
19 credit tax receipts and interest and penalties from
20 the local sales and services tax for school
21 infrastructure purposes to an account within the
22 county's local sales and services tax fund, as created
23 in section 422B.10, subsection 1, maintained in the
24 name of the school district or school districts
25 located within entitled to receive moneys from the
26 receipts collected in the county. If the director is
27 unable to determine from which county any of the
28 receipts were collected, those receipts shall be
29 allocated among the possible counties based on
30 allocation rules adopted by the director.

31 Sec. 122. Section 422E.3, subsection 5, Code 1999,
32 is amended by striking the subsection and inserting in
33 lieu thereof the following:

34 5. a. Tax receipts collected on or after July 1,
35 2000, shall be distributed on a quarterly basis
36 pursuant to a formula that provides for the
37 distribution of tax receipts to a school district
38 based upon the portion of tax receipts collected from
39 customers residing in the school district. The
40 department of revenue and finance shall establish the
41 distribution formula by rule. In establishing the
42 distribution formula, the department may use
43 scientific sampling.

44 b. The distribution formula shall provide for the
45 distribution of tax receipts only to school districts
46 located in the state. The department of revenue and
47 finance may use up to one percent of the tax receipts
48 for performing any sampling in the development of a
49 distribution formula. The department shall reevaluate
50 the distribution formula as deemed necessary.

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1 c. Tax receipts collected in a calendar quarter
2 shall be distributed to the appropriate school
3 district by the fifteenth of the second month
4 following the end of the calendar quarter.

5 d. The department of revenue and finance shall
6 develop rules on how counties may dispute the
7 distribution formula. Notwithstanding the
8 departmental rule, school districts located in a
9 county that has imposed the tax may dispute the
10 distribution formula upon passage of a resolution to
11 that effect by the school boards of school districts
12 representing at least fifty percent of the population
13 of the county."

14 3. Page 6, line 28, by inserting after the word
15 "respectively." the following: "Sections 120, 121,
16 and 122 of this Act, relating to the distribution of
17 the local sales and services tax for school
18 infrastructure purposes, takes effect July 1, 2000,
19 for tax receipts collected on or after July 1, 2000."

By BRUNKHORST of Bremer
KETTERING of Sac

H-1489 FILED APRIL 7, 1999

HOUSE FILE 747

H-1497

1 Amend House File 747 as follows:

2 1. Page 1, line 17, by inserting after the word
3 "imposed," the following: "on the gross receipts from
4 the sale of liquefied petroleum gas used for heating
5 purposes,".

6 2. Page 4, line 25, by inserting after the word
7 "imposed," the following: "on the gross receipts from
8 the sale of liquefied petroleum gas used for heating
9 purposes,".

By OSTERHAUS of Jackson

H-1497 FILED APRIL 7, 1999

HOUSE FILE 747

H-1571

1 Amend the amendment, H-1358, to House File 747, as
2 follows:

3 1. Page 1, by striking line 2 and inserting the
4 following:

5 "____. Page 1, by striking lines 19 through 21 and
6 inserting the following: "transportation, and on
7 the"."

By SHOULTZ of Black Hawk

H-1571 FILED APRIL 13, 1999

HOUSE FILE 747

H-1750

1 Amend the amendment, H-1363, to House File 747, as
2 follows:

3 1. Page 1, line 15, by inserting after the word
4 "date." the following: "If a county has set a
5 specific date, prior to the effective date of this
6 section, for an election to be held, at any time, on
7 the question of imposition of the local sales and
8 services tax for school infrastructure purposes, that
9 election may be held. Upon a majority vote in favor
10 of imposition of such tax, the tax shall be imposed
11 until the expiration of the period specified in
12 section 422E.1, subsection 2, or on an earlier date if
13 a subsequent election is held to repeal the tax on an
14 earlier date."

By DIX of Butler

H-1750 FILED APRIL 21, 1999