

House Study Bill 250

Bill Text

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1 1 Section 1. Section [422B.8](#), unnumbered paragraph 1, Code
1 2 1999, is amended to read as follows:
1 3 A local sales and services tax at the rate of not more than
1 4 one percent may be imposed by a county on the gross receipts
1 5 taxed by the state under chapter 422, division IV. A local
1 6 sales and services tax shall be imposed on the same basis as
1 7 the state sales and services tax and

~~may~~

- shall not be imposed

1 8 on the sale of any property or on any service not taxed by the
1 9 state, except the tax shall not be imposed on the gross
1 10 receipts from the sale of motor fuel or special fuel as
1 11 defined in chapter 452A, on the gross receipts from the rental
1 12 of rooms, apartments, or sleeping quarters which are taxed
1 13 under chapter 422A during the period the hotel and motel tax
1 14 is imposed, on the gross receipts from the sale of natural gas
1 15 or electric energy in a city or county where the gross
1 16 receipts are subject to a franchise fee or user fee during the
1 17 period the franchise or user fee is imposed, on the gross
1 18 receipts from the sale of equipment by the state department of
1 19 transportation, on the gross receipts from the sale of
1 20 personal property from a vending machine operated by insertion
1 21 of a coin, paper currency, token, card, or key, and on the
1 22 gross receipts from the sale of a lottery ticket or share in a
1 23 lottery game conducted pursuant to chapter 99E. A local sales
1 24 and services tax is applicable to transactions within those
1 25 incorporated and unincorporated areas of the county where it
1 26 is imposed and shall be collected by all persons required to
1 27 collect state gross receipts taxes. All cities contiguous to
1 28 each other shall be treated as part of one incorporated area
1 29 and the tax would be imposed in each of those contiguous
1 30 cities only if the majority of those voting in the total area
1 31 covered by the contiguous cities favor its imposition.

1 32 Sec. 2. Section [422E.2](#), subsection 2, Code 1999, is
1 33 amended by adding the following new paragraph:

1 34 NEW PARAGRAPH. c. The rate and duration of tax, and text
1 35 of the ballot proposition, shall be determined as follows:

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

2 17 (2) For a tax requested by the governing body or bodies of
2 18 a school district or districts pursuant to paragraph "b", the

2 19 purpose or purposes for which the revenues shall be expended
2 20 shall be determined by the governing body of each school
2 21 district located within the county. The school district shall
2 22 notify the county board of supervisors of the purposes
2 23 identified. The county commissioner of elections shall
2 24 determine the text of the ballot proposition, which shall be
2 25 uniform throughout the county, and which shall separately list
2 26 the specific purposes for which revenues shall be expended for
2 27 each school district. Revenue shall not be expended for a
2 28 purpose authorized in this chapter unless that purpose was
2 29 identified by a school district prior to the election and
2 30 listed by the county commissioner of elections on the ballot
2 31 proposition. For a tax requested by petition pursuant to
2 32 paragraph "a", or by the county board of supervisors pursuant
2 33 to paragraph "b", the purpose or purposes for which the
2 34 revenues shall be expended shall be established by the county
2 35 board of supervisors in consultation with the governing bodies
3 1 of all the school districts located in the county.

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

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

3 9 3. The county commissioner of elections shall submit the
3 10 question of imposition of a local sales and services tax for
3 11 school infrastructure purposes at a state general election or
3 12 at a special election

~~held at any time other than the time of~~

3 13

~~a city regular election~~

~~The special election shall not be~~

3 14 held in conjunction with any city or school election. The
3 15 election shall not be held sooner than sixty days after
3 16 publication of notice of the ballot proposition by the county
3 17 commissioner of elections. The ballot proposition shall
3 18 specify the rate of tax, the date the tax will be imposed and
3 19 repealed, and shall contain a statement as to the specific
3 20 purpose or purposes for which the revenues shall be expended.
3 21

~~The rate of tax shall not be more than one percent as set by~~

3 22

~~the county board of supervisors.~~

~~The state commissioner of~~

3 23 elections shall establish by rule the form for the ballot
3 24 proposition which form shall be uniform throughout the state.

3 25 Sec. 4. Section [422E.2](#), subsection 4, paragraph a, Code
3 26 1999, is amended to read as follows:

3 27 a. The tax may be repealed or the rate increased, but not
3 28 above one percent, or decreased after an election at which a
3 29 majority of those voting on the question of repeal or rate
3 30 change favored the repeal or rate change. The election at
3 31 which the question of repeal or rate change is offered shall
3 32 be called and held in the same manner and under the same
3 33 conditions as provided in this section for the election on the
3 34 imposition of the tax.

~~The election may be held at any time~~

3 35

~~but not sooner than sixty days following publication of the~~

4 1

~~ballot proposition.~~

~~However, the~~

~~The tax shall not be~~

4 2 repealed before it has been in effect for one year.

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

4 6 Within ten days of the election at which a majority of
4 7 those voting on the question favors the imposition, repeal, or
4 8 change in the rate of the tax, the county board of supervisors
4 9 shall give written notice to the director of revenue and
4 10 finance of the result of the election. Election costs shall
4 11 be apportioned among school districts within the county on a
4 12 pro rata basis in proportion to the number of registered
4 13 voters in each school district who reside in the county and
4 14 the total number of registered voters in all of the school
4 15 districts within the county who reside in the county.

4 16 Sec. 6. Section [422E.3](#), subsection 2, Code 1999, is
4 17 amended to read as follows:

4 18 2. The tax shall be imposed on the same basis as the state
4 19 sales and services tax and shall not be imposed on the sale of
4 20 any property or on any service not taxed by the state, except
4 21 the tax shall not be imposed on the gross receipts from the
4 22 sale of natural gas or electric energy in a city or county
4 23 where the gross receipts are subject to a franchise fee or
4 24 user fee during the period the franchise or user fee is
4 25 imposed, on the gross receipts from the sale of motor fuel or
4 26 special fuel as defined in chapter 452A, on the gross receipts
4 27 from the rental of rooms, apartments, or sleeping quarters
4 28 which are taxed under chapter 422A during the period the hotel
4 29 and motel tax is imposed, on the gross receipts from the sale
4 30 of equipment by the state department of transportation, and on
4 31 the gross receipts from the sale of a lottery ticket or share
4 32 in a lottery game conducted pursuant to chapter 99E.

4 33 Sec. 7. Section [422E.3](#), subsection 2, Code 1999, is
4 34 amended to read as follows:

4 35 2. The tax shall be imposed on the same basis as the state
5 1 sales and services tax and shall not be imposed on the sale of
5 2 any property or on any service not taxed by the state, except
5 3 the tax shall not be imposed on the gross receipts from the
5 4 sale of motor fuel or special fuel as defined in chapter 452A,
5 5 on the gross receipts from the rental of rooms, apartments, or
5 6 sleeping quarters which are taxed under chapter 422A during
5 7 the period the hotel and motel tax is imposed, on the gross
5 8 receipts from the sale of equipment by the state department of
5 9 transportation, on the gross receipts from the sale of
5 10 personal property from a vending machine operated by insertion
5 11 of a coin, paper currency, token, card, or key, and on the
5 12 gross receipts from the sale of a lottery ticket or share in a
5 13 lottery game conducted pursuant to chapter 99E.

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

5 16 c. The director shall remit a final payment of the
5 17 remainder of tax moneys due for the fiscal year before
5 18 November 10 of the next fiscal year. If an overpayment has
5 19 resulted during the previous fiscal year, the

~~first~~

~~November~~

5 20 payment

~~of the new fiscal year~~

- shall be adjusted to reflect

5 21 any overpayment.

5 22 Sec. 9. Section [422E.3](#), Code 1999, is amended by adding

5 23 the following new subsection:

5 24 NEW SUBSECTION. 7. Construction contractors may make
5 25 application to the department for a refund of the additional
5 26 local sales and services tax paid under this chapter by reason
5 27 of taxes paid on goods, wares, or merchandise under the
5 28 conditions specified in section 422B.11. The refund shall be
5 29 paid by the department from the appropriate school district's
5 30 account in the local sales and services tax fund. The penalty
5 31 provisions contained in section 422B.11, subsection 3, shall
5 32 apply regarding an erroneous application for refund of local
5 33 sales and services tax paid under this chapter.

5 34 Sec. 10. EFFECTIVE DATE. This Act, being deemed of
5 35 immediate importance, takes effect upon enactment. Sections
6 1 5, 6, and 9 of this Act are retroactively applicable to July
6 2 1, 1998, for apportionment of election costs for elections
6 3 held on or after that date, for exemption of the tax on gross
6 4 receipts from the sale of natural gas or electric energy
6 5 subject to a franchise fee or user fee, and for refunds of tax
6 6 payable to construction contractors, respectively.

6 7 EXPLANATION

6 8 This bill amends provisions regarding the regular and
6 9 school district local option sales and services taxes.

6 10 The bill contains provisions relating to the determination
6 11 of, and contents of, ballot propositions for imposition of the
6 12 local option sales tax for school districts. The bill
6 13 provides that the rate and duration of tax will be established
6 14 by the governing bodies of the school districts located within
6 15 the county. The bill provides, however, that the county board
6 16 of supervisors shall establish the rate of tax, duration of
6 17 tax, or both in consultation with the school districts if the
6 18 governing bodies of the school districts establish different
6 19 rates or durations of tax.

6 20 The bill provides that the text of the ballot proposition,
6 21 determined by the county commissioner of elections, will be
6 22 uniform throughout a county, and will separately list the
6 23 specific purposes for which the revenues shall be expended for
6 24 each school district located within the county. The
6 25 respective purposes for which the revenues shall be expended
6 26 shall be determined by each school district, conveyed to the
6 27 county board of supervisors, and filed with the commissioner
6 28 for incorporation onto the ballot. The bill provides that
6 29 revenue cannot be expended for a purpose authorized by Code
6 30 chapter 422E if not listed on the ballot proposition. The
6 31 bill also provides that the rate and duration of tax, and
6 32 statements of purposes for revenue expenditure, shall be filed
6 33 with the commissioner of elections by the county board of
6 34 supervisors no later than 14 days prior to the publication of
6 35 notice of the ballot proposition.

7 1 The bill provides that the county board of supervisors will
7 2 establish the rate, duration, and text of the ballot
7 3 proposition in the event of a request to impose the school
7 4 district local option tax by petition or by the county board
7 5 of supervisors.

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

7 11 The bill provides that a special election held on the
7 12 question of imposition of the local option school district
7 13 sales and services tax, or with regard to repeal, rate, or
7 14 duration change, shall not be held in conjunction with any

7 15 city or school election.

7 16 The bill also provides that the gross receipts from the
7 17 sale of natural gas or electric energy, in a city or county
7 18 where the gross receipts are subject to a franchise fee or
7 19 user fee during the period the franchise or user fee is
7 20 imposed, will be exempt from the local option school district
7 21 sales tax.

7 22 In addition, the bill provides that construction
7 23 contractors can apply for a refund of additional local sales
7 24 and services tax paid pursuant to the provisions of Code
7 25 section 422B.11, with the refund paid out of the appropriate
7 26 school district's account in the local sales and services tax
7 27 fund.

7 28 The bill provides that the director of revenue and finance
7 29 will adjust the payment due in November with regard to any
7 30 overpayment for the previous fiscal year.

7 31 The bill exempts from the local option sales and services
7 32 tax and the local option school infrastructure sales and
7 33 services tax the gross receipts from sales of personal
7 34 property made by means of vending machines operated by
7 35 insertion of coins, paper currencies, tokens, cards, or keys.

8 1 The bill takes effect upon enactment, and applies
8 2 retroactively to July 1, 1998, with regard to apportionment of
8 3 election costs for elections held on or after that date,
8 4 exemption of the tax on gross receipts from the sale of
8 5 natural gas or electric energy subject to a franchise fee or
8 6 user fee, and refunds of tax payable to construction
8 7 contractors.

8 8 LSB 3132HC 78

8 9 mg/cf/24