

Senate Study Bill 3139

Bill Text

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1 1 Section 1. Section [426B.2](#), subsections 1 and 3, Code
1 2 Supplement 2001, are amended to read as follows:
1 3 1. The moneys in the property tax relief fund available to
1 4 counties for a fiscal year shall be distributed as provided in
1 5 this section. A county's proportion of the moneys shall be
1 6 equivalent to the sum of the following three factors:
1 7 a. One-third based upon the county's proportion of the
1 8 state's general population.
1 9 b. One-third based upon the county's proportion of the
1 10 state's total taxable property valuation assessed for taxes
1 11 payable in the previous fiscal year.
1 12 c. One-third based upon the county's proportion of all
1 13 counties' base year expenditures, as defined in section
1 14 331.438.
1 15 Moneys provided to a county for property tax relief in a
1 16 fiscal year, excluding replacement generation taxes in the
1 17 property tax relief fund, in accordance with this subsection
1 18 shall not be less than the amount provided for property tax
1 19 relief in the previous fiscal year.
1 20 3. The director of human services shall draw warrants on
1 21 the property tax relief fund, payable to the county treasurer
1 22 in the amount due to a county in accordance with subsection 1
1 23 and mail the warrants to the county auditors in July and
1 24 January of each year. Any replacement generation tax in the
1 25 property tax relief fund as of November 1 shall be paid to the
1 26 county treasurers in July and January of the fiscal year
1 27 beginning the following July 1.
1 28 Sec. 2. Section [437A.3](#), subsection 1, Code Supplement
1 29 2001, is amended by adding the following new unnumbered
1 30 paragraph:
1 31 NEW UNNUMBERED PARAGRAPH. The assessed value of a new
1 32 electric power generating plant shall be eight percent of the
1 33 assessed value determined in section 437A.19, but construction
1 34 work in progress shall be excluded from the assessed value of
1 35 a new electric power generating plant.
2 1 Sec. 3. Section [437A.3](#), subsection 10, Code Supplement
2 2 2001, is amended by adding the following new unnumbered
2 3 paragraph:
2 4 NEW UNNUMBERED PARAGRAPH. "New electric power generating
2 5 plant" means an electric power generating plant that is owned
2 6 by or leased to an electric company, electric cooperative, or
2 7 municipal utility, and that initially generates electricity
2 8 subject to replacement generation tax, under section 437A.6,
2 9 on or after January 1, 2002.
2 10 Sec. 4. Section [437A.7](#), Code Supplement 2001, is amended
2 11 by adding the following new subsection:
2 12 NEW SUBSECTION. 1A. In lieu of the replacement
2 13 transmission tax imposed in subsection 1, a municipal utility
2 14 whose replacement tax liability for the tax year 1999 was
2 15 limited to the tax imposed by this section and whose
2 16 anticipated tax revenues from a taxpayer, as defined in
2 17 section 437A.15, subsection 4, for the tax year 1999, exceeded
2 18 its replacement transmission tax by more than one hundred
2 19 thousand dollars shall be subject to replacement transmission
2 20 tax on all transmission lines owned by or leased to the
2 21 municipal utility as of the last day of the tax year 2000 as

2 22 follows:

2 23 a. Three thousand twenty-five dollars per pole mile of
2 24 transmission line owned or leased by the taxpayer not
2 25 exceeding one hundred kilovolts.

2 26 b. Seven thousand dollars per pole mile of transmission
2 27 line owned or leased by the taxpayer greater than one hundred
2 28 fifty kilovolts but not exceeding three hundred kilovolts.

2 29 Sec. 5. Section [437A.8](#), subsection 4, Code Supplement
2 30 2001, is amended by adding the following new paragraph:

2 31 NEW PARAGRAPH. d. Notwithstanding paragraph "a", a
2 32 taxpayer who owns or leases a new electric power generating
2 33 plant and who has no other operating property in the state of
2 34 Iowa, if any, except for operating property directly serving
2 35 the new electric power generating plant, as described in
3 1 section 437A.16, shall pay the replacement generation tax
3 2 associated with the allocation of the local amount to the
3 3 county treasurer of the county in which the local amount is
3 4 located and shall remit the remaining replacement generation
3 5 tax, if any, to the director, according to paragraph "a", for
3 6 remittance of the tax to county treasurers. The director
3 7 shall notify each taxpayer on or before August 31 following a
3 8 tax year of its remaining replacement generation tax to be
3 9 remitted to the director. All remaining replacement
3 10 generation tax revenues received by the director shall be
3 11 deposited in the property tax relief fund created in section
3 12 426B.1, and shall be distributed as provided in section
3 13 426B.2.

3 14 Sec. 6. Section [437A.15](#), subsection 3, Code Supplement
3 15 2001, is amended by adding the following new paragraph:

3 16 NEW PARAGRAPH. f. Notwithstanding the provisions of this
3 17 section, if the taxpayer is a municipal utility or a municipal
3 18 owner of an electric power facility financed under the
3 19 provisions of chapter 28F or 476A, the assessed value, other
3 20 than the local amount, of a new electric power generating
3 21 plant shall be allocated to each taxing district in which the
3 22 municipal utility or municipal owner is serving customers and
3 23 has electric meters in operation, in the ratio that the number
3 24 of operating electric meters of the municipal utility or
3 25 municipal owner located in the taxing district bears to the
3 26 total number of operating electric meters of the municipal
3 27 utility or municipal owner in the state as of January 1 of the
3 28 tax year. If the municipal utility or municipal owner of an
3 29 electric power facility financed under the provisions of
3 30 chapter 28F or 476A has a new electric power generating plant
3 31 but the municipal utility or municipal owner has no operating
3 32 electric meters in this state, the municipal utility or
3 33 municipal owner shall pay the replacement generation tax
3 34 associated with the new electric power generating plant
3 35 allocation of the local amount to the county treasurer of the
4 1 county in which the local amount is located and shall remit
4 2 the remaining replacement generation tax, if any, to the
4 3 director at the times contained in section 437A.8, subsection
4 4 4, for remittance of the tax to the county treasurer of the
4 5 county in which the local amount is located and shall remit
4 6 the remaining replacement generation tax, if any, to the
4 7 director, according to section 437A.8, subsection 4, for
4 8 remittance of the tax to the county treasurers. All remaining
4 9 replacement generation tax revenues received by the director
4 10 shall be deposited in the property tax relief fund created in
4 11 section 426B.1, and shall be distributed as provided in
4 12 section 426B.2.

4 13 Sec. 7. RETROACTIVE APPLICABILITY DATE. This Act applies
4 14 retroactively to tax years beginning on or after January 1,
4 15 2002.

4 16 EXPLANATION

4 17 This bill amends various provisions of Code chapter 437A,
4 18 relating to the replacement generation tax, and related

4 19 provisions in Code section 426B.2. The bill makes conforming
4 20 amendments to various replacement generation tax provisions
4 21 relating to new electric power generating plants to be built
4 22 in the state of Iowa and the allocation of replacement
4 23 generation tax of stand-alone new electric power generating
4 24 plants.

4 25 The bill adds a new definition for "new electric power
4 26 generating plant" and addresses its assessed value in Code
4 27 section 437A.3. The bill defines the assessed value of a new
4 28 electric power generating plant as 8 percent of the assessed
4 29 value, which under Code section 437A.19 would be the book
4 30 value of the completed plant, but excludes construction work
4 31 in progress from the assessed value of a new electric power
4 32 generating plant.

4 33 The bill provides, in Code section 437A.7, a replacement
4 34 transmission tax at increased rates on municipal utilities
4 35 whose anticipated tax revenue exceeded its replacement
5 1 transmission tax by more than \$100,000 for the tax year 1999.
5 2 If such utility acquires transmission lines in 2001 or
5 3 thereafter, those lines will be subject to tax at the rates in
5 4 Code section 437A.7, subsection 1, paragraphs "a" through "d".

5 5 The bill adds a new paragraph to Code section 437A.8,
5 6 subsection 4, to provide for the remission of replacement
5 7 generation tax in cases of certain new electric power
5 8 generating plants. The bill provides a method for allocation
5 9 of replacement generation tax incurred by a stand-alone new
5 10 electric power generating plant whereby the tax attributed to
5 11 the local amount as defined in Code section 437A.3, subsection
5 12 13, is paid to the county treasurer and the remaining tax, if
5 13 any, is paid to the director who deposits the tax receipts
5 14 into the property tax relief fund created in Code section
5 15 426B.1 for distribution as provided in Code section 426B.2.
5 16 This provision is applicable even if the taxpayer has other
5 17 Iowa operating property as long as the taxpayer's other Iowa
5 18 operating property is limited to operating property directly
5 19 serving the new electric power generating plant. The
5 20 replacement generation tax is placed in the property tax
5 21 relief fund for distribution, along with other state moneys,
5 22 to counties to reimburse the counties for their qualified
5 23 mental health, mental retardation, and developmental
5 24 disabilities services expenditures.

5 25 The bill provides in Code section 426B.2 that in
5 26 determining whether property tax relief fund moneys provided
5 27 to a county are more or less than in the previous fiscal year,
5 28 replacement taxes shall not be considered in such
5 29 determination. The bill also amends Code section 426B.2,
5 30 subsection 3, to provide that all replacement tax receipts in
5 31 the property tax relief fund as of November 1 of the calendar
5 32 year immediately preceding the following fiscal year shall be
5 33 paid to the county treasurers in July and January of each
5 34 year.

5 35 The bill adds a new paragraph to Code section 437A.15,
6 1 subsection 3, pertaining to the assessed value of a new
6 2 electric power generating plant owned by a municipal utility
6 3 or municipal owner. The bill provides a method of allocation
6 4 of replacement generation tax incurred by stand-alone electric
6 5 power generating plants of municipal utilities and municipal
6 6 owners who have an electric power facility financed under Code
6 7 chapter 28F or 476A and provides a method of allocation of
6 8 replacement generation tax on the basis of operating electric
6 9 meters with respect to other municipal utilities and municipal
6 10 owners who have an electric power facility financed under Code
6 11 chapter 28F or 476A.

6 12 The bill applies retroactively to tax years beginning on or
6 13 after January 1, 2002.

