

SENATE FILE 129
BY HOUSER

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

A BILL FOR

1 An Act establishing a commission on state and local taxation.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 129
STATE GOVERNMENT

1 Section 1. NEW SECTION. 28M.1 IOWA COMMISSION ON STATE
2 AND LOCAL TAXATION.

3 1. An Iowa commission on state and local taxation is
4 created which shall consist of fifteen members appointed as
5 follows:

6 a. Four members appointed by the governor, at least one of
7 whom shall be a private citizen and at least one of whom shall
8 be a representative of business and industry.

9 b. Three senators appointed by the majority leader of the
10 senate, one of whom shall be nominated by the minority leader
11 of the senate.

12 c. Three representatives appointed by the speaker of the
13 house, one of whom shall be nominated by the minority leader
14 of the house.

15 d. One member appointed by the Iowa state association of
16 counties.

17 e. One member appointed by the Iowa league of cities.

18 f. One member appointed by the Iowa association of school
19 boards.

20 g. One member appointed by the presidents of the regents
21 universities.

22 h. One member appointed by the Iowa association of
23 community college trustees.

24 2. Members appointed by the governor are subject to senate
25 confirmation. In making all appointments, consideration shall
26 be given to gender, race, or ethnic representation, population
27 and demographic factors, and representation of different
28 geographic regions. Appointments made under subsection 1,
29 paragraphs "d" through "h", are not subject to section 69.16
30 or 69.16A.

31 3. Members of the commission shall hold office for four
32 years beginning June 1 of the year of appointment and until
33 their successors are appointed, except that three initial
34 appointees shall be appointed for one year, three initial
35 appointees for two years, four initial appointees for three

1 years, and five initial appointees for four years. The
2 commission shall conduct its organizational meeting no later
3 than September 1, 2003.

4 4. Legislative members of the commission are eligible for
5 per diem and expenses as provided in section 2.10. Members of
6 the commission appointed by the governor shall be reimbursed
7 for actual and necessary expenses incurred in performance of
8 their duties. Members may also be eligible to receive
9 compensation as provided in section 7E.6.

10 5. A majority of the commission members shall constitute a
11 quorum. For the purpose of conducting business, a majority
12 vote of the commission shall be required. Beginning in May
13 2004, the commission shall meet in May of each year for the
14 purpose of electing one of its members as chairperson. The
15 commission shall meet quarterly and at other times as
16 necessary at the call of the chairperson or when any six
17 members of the commission file a written request with the
18 chairperson for a meeting. Written notice of the time and
19 place of each meeting shall be given to each member of the
20 commission.

21 6. The commission may establish committees as it deems
22 advisable and feasible, whose membership shall include at
23 least two members of the commission, but only the commission
24 may take final action on a proposal or recommendation of a
25 committee.

26 7. Any vacancy shall be filled in the same manner as
27 regular appointments are made for the unexpired portion of the
28 regular term. A member of the commission may be removed for
29 any of the causes and in the manner provided in chapter 66.

30 Sec. 2. NEW SECTION. 28M.2 STAFF AND FACILITIES.

31 The commission and committees established by the commission
32 may accept technical and operational assistance from the staff
33 of the legislative service bureau and the legislative fiscal
34 bureau, other state or federal agencies, units of local
35 governments, or any other public or private source. The

1 directors of the legislative service bureau and the
2 legislative fiscal bureau may assign professional, technical,
3 legal, clerical, or other staff, as necessary and authorized
4 by the legislative council for continued operation of the
5 commission. However, technical and operational assistance
6 provided by the bureaus shall be provided within existing
7 appropriations made to or with existing resources of the
8 legislative service bureau and legislative fiscal bureau. The
9 legislative council may also provide to the commission
10 available facilities and equipment as requested by the
11 commission.

12 Sec. 3. NEW SECTION. 28M.3 REVIEW OF STATE AND LOCAL
13 REVENUE AND SERVICES.

14 1. The commission shall conduct a review of the following:

15 a. Revenue sources available to local governments,
16 including taxes, fees, state appropriations, and federal
17 moneys.

18 b. Revenue sources available to the state, including
19 taxes, fees, and federal moneys, and the portion of state
20 revenues annually appropriated, or otherwise disbursed, to
21 local governments.

22 c. Services provided by local governments, including those
23 provided at the discretion of a local government and those
24 mandated by federal or state statutes and regulations.

25 2. In conducting its review of revenue sources, the
26 commission shall study state and local taxes from the
27 standpoint of equity, neutrality, competitiveness, simplicity,
28 and stability.

29 3. The commission shall hold public hearings to allow
30 persons and organizations to be heard.

31 4. The commission shall submit a report to the general
32 assembly on the status of the review no later than March 15,
33 2004. The status report shall summarize the commission's
34 activities to date and may include such other information that
35 the commission deems relevant and necessary.

1 5. a. The commission shall submit a final report to the
2 general assembly no later than January 15, 2005.

3 b. The final report shall include the following:

4 (1) A statement of goals that the commission believes are
5 necessary to achieve principles of taxation agreed upon by the
6 committee.

7 (2) Any strategies formulated by the commission that
8 consist of recommended methods of state and local taxation,
9 specific structural changes, and any modifications to the
10 current system of state and local taxation.

11 (3) Such other information that the commission deems
12 relevant and necessary.

13 6. This section shall not be construed to preclude the
14 enactment of legislation that eliminates or reduces any state
15 or local government tax during the period the Iowa commission
16 on state and local taxation is conducting the review required
17 by this section.

18 Sec. 4. NEW SECTION. 28M.4 DUTIES OF THE COMMISSION.

19 The commission shall:

20 1. Conduct the review as required in section 28M.3.

21 2. Monitor legislative or administrative action on
22 recommendations in the report required in section 28M.3.

23 3. Annually report on the state of local governments in
24 Iowa.

25 4. Annually report on state and federal issues relating to
26 local government that have a potential fiscal impact on local
27 governments.

28 5. Annually report on court decisions having an impact on
29 state and local government revenue or services.

30 6. The reports in subsections 3, 4, and 5 shall be filed
31 with the governor, president of the senate, speaker of the
32 house, and the majority and minority leaders of each house,
33 and shall be made available to legislators and the public upon
34 request. The reports must be submitted no later than January
35 15 of each year.

1 Sec. 5. NEW SECTION. 28M.5 INFORMATION.

2 The commission may request from any state agency or
3 official the information and assistance as needed to perform
4 the duties of the commission. A state agency or official
5 shall furnish the information or assistance requested within
6 the authority and resources of the state agency or official.
7 This section does not require the production or opening of any
8 public record which is required by law to be kept
9 confidential.

10 Sec. 6. NEW SECTION. 28M.6 FUTURE REPEAL.

11 This chapter is repealed effective July 1, 2008.

12 EXPLANATION

13 This bill creates a commission on state and local taxation.
14 The 15 members of the commission are appointed by the governor
15 (four members), senate majority leader (three members),
16 speaker of the house of representatives (three members), and
17 various associations representing local governments (one
18 member each).

19 The bill requires the commission to hold its organizational
20 meeting no later than September 1, 2003. The commission is to
21 be staffed by the legislative service bureau and the
22 legislative fiscal bureau.

23 The bill requires the commission to conduct a review of
24 state and local taxation in Iowa. The commission is to submit
25 a status report on the review of state and local taxation and
26 the commission's other activities by March 15, 2004. A final
27 report is to be submitted to the general assembly by January
28 15, 2005. The commission is to also report annually on the
29 state of local governments in Iowa, state and federal issues
30 that have a potential fiscal impact on local governments, and
31 court decisions having an impact on state and local government
32 revenue and services. All annual reports of the commission
33 are to be filed with the governor, the president of the
34 senate, speaker of the house, and the majority and minority
35 leaders of each house. The reports shall also be made

1 available to other legislators and the public upon request.

2 The commission is repealed July 1, 2008.

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