

House File 2515 - Introduced

HOUSE FILE _____
BY TYMESON

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

A BILL FOR

1 An Act relating to the repeal of and use of revenues of a local
2 option sales and use tax.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5959HH 82
5 mg/sc/24

PAG LIN

1 1 Section 1. Section 423B.1, subsection 6, paragraph a, Code
1 2 Supplement 2007, is amended to read as follows:
1 3 a. (1) If a majority of those voting on the question of
1 4 imposition of a local option tax favors imposition of a local
1 5 option tax, the governing body of that county shall impose the
1 6 tax at the rate specified for an unlimited period, except as
1 7 provided in subparagraph (3). However, in the case of a local
1 8 sales and services tax, the county shall not impose the tax in
1 9 any incorporated area or the unincorporated area if the
1 10 majority of those voting on the tax in that area did not favor
1 11 its imposition. For purposes of the local sales and services
1 12 tax, all cities contiguous to each other shall be treated as
1 13 part of one incorporated area and the tax shall be imposed in
1 14 each of those contiguous cities only if the majority of those
1 15 voting on the tax in the total area covered by the contiguous
1 16 cities favored its imposition. In the case of a local sales
1 17 and services tax submitted to the registered voters of two or
1 18 more contiguous counties as provided in subsection 4,
1 19 paragraph "c", all cities contiguous to each other shall be
1 20 treated as part of one incorporated area, even if the
1 21 corporate boundaries of one or more of the cities include
1 22 areas of more than one county, and the tax shall be imposed in
1 23 each of those contiguous cities only if a majority of those
1 24 voting on the tax in the total area covered by the contiguous
1 25 cities favored its imposition.
1 26 (2) The local option tax may be repealed or the rate
1 27 increased or decreased or the use thereof changed after an
1 28 election at which a majority of those voting on the question
1 29 of repeal or rate or use change favored the repeal or rate or
1 30 use change. The date on which the repeal, rate, or use change
1 31 is to take effect shall not be earlier than ninety days
1 32 following the election. The election at which the question of
1 33 repeal or rate or use change is offered shall be called and
1 34 held in the same manner and under the same conditions as
1 35 provided in subsections 4 and 5 for the election on the
2 1 imposition of the local option tax. However, in the case of a
2 2 local sales and services tax where the tax has not been
2 3 imposed countywide, the question of repeal or imposition or
2 4 rate or use change shall be voted on only by the registered
2 5 voters of the areas of the county where the tax has been
2 6 imposed or has not been imposed, as appropriate. However, the
2 7 governing body of the incorporated area or unincorporated area
2 8 where the local sales and services tax is imposed may, upon
2 9 its own motion, request the county commissioner of elections
2 10 to hold an election in the incorporated or unincorporated
2 11 area, as appropriate, on the question of the change in use of
2 12 local sales and services tax revenues. The election may be
2 13 held at any time but not sooner than sixty days following
2 14 publication of the ballot proposition. If a majority of those
2 15 voting in the incorporated or unincorporated area on the
2 16 change in use favors the change, the governing body of that
2 17 area shall change the use to which the revenues shall be used.
2 18 The ballot proposition shall list the present use of the
2 19 revenues, the proposed use, and the date after which revenues
2 20 received will be used for the new use.

2 21 (3) When submitting the question of the imposition of a
2 22 local sales and services tax, the county board of supervisors
2 23 may direct that the question contain a provision for the
2 24 repeal, without election, of the local sales and services tax
2 25 on a specific date, which date shall be as provided in section
2 26 423B.6, subsection 1. An election held on or after July 1,
2 27 2008, on the question of the imposition of or the change in
2 28 rate or use of a local sales and services tax shall contain a
2 29 statement that the tax is repealed at the expiration of a
2 30 period of ten years of imposition, a different specified date,
2 31 or upon completion of the project for which the revenues are
2 32 to be used, whichever is the earliest.

2 33 Sec. 2. Section 423B.7, subsection 6, unnumbered paragraph
2 34 1, Code 2007, is amended to read as follows:

2 35 Local sales and services tax moneys received by a city or
3 1 county may be expended for any lawful purpose of the city or
3 2 county. However, local sales and services tax moneys shall
3 3 not be used for purposes of paying litigation costs.

3 4 EXPLANATION

3 5 This bill amends Code chapter 423B, the local option sales
3 6 and services tax law, to require that any election held on or
3 7 after July 1, 2008, to impose or change the rate or use of the
3 8 local option sales and services tax shall contain on the
3 9 ballot a statement that such tax will be repealed after 10
3 10 years after its imposition, at a different specified date, or
3 11 upon completion of any project for which the tax is imposed,
3 12 whichever of these is the earliest.

3 13 The bill also prohibits the use of the tax revenues
3 14 received for paying litigation costs.

3 15 LSB 5959HH 82

3 16 mg/sc/24