

House File 2340 - Introduced

HOUSE FILE 2340

BY HEIN

A BILL FOR

1 An Act relating to benefited recreational lake districts,
2 water quality districts, and combined recreational lake and
3 water quality districts and including effective date and
4 retroactive applicability provisions.

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

1 Section 1. NEW SECTION. 357E.15 Exemption from taxation
2 — refunds.

3 1. The property and facilities of a district shall not be
4 taxable in any manner by the state or any of its political
5 subdivisions.

6 2. A district is a tax-certifying body for purposes of
7 section 423.4, subsection 1.

8 Sec. 2. Section 427.1, subsection 2, Code 2014, is amended
9 to read as follows:

10 2. *Municipal and military property.* The property of a
11 county, township, city, school corporation, levee district,
12 drainage district, district organized under chapter 357E, or
13 the Iowa national guard, when devoted to public use and not
14 held for pecuniary profit, except property of a municipally
15 owned electric utility held under joint ownership and property
16 of an electric power facility financed under chapter 28F or
17 476A that shall be subject to taxation under chapter 437A
18 and facilities of a municipal utility that are used for the
19 provision of local exchange services pursuant to chapter 476,
20 but only to the extent such facilities are used to provide such
21 services, which shall be subject to taxation under chapter 433,
22 except that section 433.11 shall not apply. The exemption for
23 property owned by a city or county also applies to property
24 which is operated by a city or county as a library, art
25 gallery or museum, conservatory, botanical garden or display,
26 observatory or science museum, or as a location for holding
27 athletic contests, sports or entertainment events, expositions,
28 meetings or conventions, or leased from the city or county for
29 any such purposes, or leased from the city or county by the
30 Iowa national guard or by a federal agency for the benefit of
31 the Iowa national guard when devoted for public use and not
32 for pecuniary profit. Food and beverages may be served at the
33 events or locations without affecting the exemptions, provided
34 the city has approved the serving of food and beverages on the
35 property if the property is owned by the city or the county

1 has approved the serving of food and beverages on the property
2 if the property is owned by the county. The exemption for
3 property owned by a city or county also applies to property
4 which is located at an airport and leased to a fixed base
5 operator providing aeronautical services to the public.

6 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
7 immediate importance, takes effect upon enactment.

8 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
9 retroactively to January 1, 2014, for assessment years
10 beginning on or after that date.

11 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies
12 retroactively to January 1, 2014, for sales and use tax paid
13 on or after that date.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill relates to benefited recreational lake districts,
18 water quality districts, and combined recreational lake and
19 water quality districts organized under Code chapter 357E.

20 The bill provides that the property and facilities of
21 a district organized under Code chapter 357E shall not be
22 taxable in any manner by the state or any of its political
23 subdivisions.

24 The bill specifies that a district organized under Code
25 chapter 357E is a tax-certifying body for purposes of sales
26 or use tax construction contractor refunds under Code section
27 423.4(1), for construction contracts with tax-certifying
28 bodies. By operation of law, the designation of a district as
29 a tax-certifying body for purposes of Code section 423.4(1),
30 means that the district is a "designated exempt entity" within
31 the meaning of Code section 423.3(80), relating to an exemption
32 for construction contractors performing work for such an
33 entity.

34 The bill also exempts from property taxation the property of
35 a district organized under Code chapter 357E, when devoted to

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1 public use and not held for pecuniary profit.

2 The bill takes effect upon enactment.

3 The bill applies retroactively to January 1, 2014, for
4 assessment years beginning on or after that date.

5 The bill applies retroactively to January 1, 2014, for sales
6 and use tax paid on or after that date.