

Senate Study Bill 1190 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON WEBSTER)

A BILL FOR

1 An Act relating to solid waste collection and disposal by
2 establishing a maximum rate increase charged by governmental
3 entities and creating a property tax rebate for service
4 charges.

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

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1 Section 1. Section 28G.4, subsection 1, Code 2025, is amended
2 to read as follows:

3 1. a. Engage in, manage, own, operate, and regulate the
4 collection, transportation, storage, and disposal or diversion of
5 solid waste including, but not limited to, the designation of a
6 specific facility ~~which~~ that must be used for the collection,
7 transportation, storage, and disposal or diversion of solid
8 waste within its jurisdiction or geographic area. However, the
9 aggregate of the rates and charges for solid waste collection
10 and disposal services shall not exceed the lower of one hundred
11 two percent of the aggregate of the rates and charges from the
12 previous budget year or the percentage increase in the consumer
13 price index for the midwest region as determined by the United
14 States department of labor, bureau of labor statistics, or a
15 successor index.

16 b. Increases to rates and charges for solid waste collection
17 and disposal services planned prior to July 1, 2025, for
18 repayment of debt incurred before July 1, 2025, shall be excluded
19 from rate and charge increase limits established in paragraph
20 "a".

21 c. If rate and charge increases for solid waste collection
22 and disposal services exceed the limits required in paragraph
23 "a", the increased rate or charge shall be effective at the
24 start of the budget year. The legal entity shall direct the
25 county commissioner of elections in each county where the legal
26 entity has jurisdiction to submit to the registered voters of the
27 jurisdiction or geographic area at the next general election the
28 question of whether to accept the increased rate or charge by the
29 proposed amount. The result of the election shall take effect
30 immediately upon certification. If the question fails, all rates
31 and charges paid by customers for solid waste collection and
32 disposal services exceeding the limits established in paragraph
33 "a" from the beginning of the current budget year until the
34 certification of the election shall be refunded by January 1
35 following the general election and the aggregate of rates and

1 charges for solid waste collection and disposal services shall
2 immediately be reduced to the lower of one hundred two percent of
3 the aggregate of the rates and charges from the previous budget
4 year or the percentage increase in consumer price index for the
5 midwest region as determined by the United States department of
6 labor, bureau of labor statistics, or a successor index.

7 Sec. 2. Section 331.465, subsection 1, Code 2025, is amended
8 to read as follows:

9 1. a. The board may establish, impose, adjust, and provide
10 for the collection of rates to produce gross revenues at least
11 sufficient to pay the expenses of operation and maintenance
12 of the county enterprise or combined county enterprise and, if
13 revenue bonds or pledge orders are issued and outstanding under
14 this part, shall establish, impose, adjust, and provide for the
15 collection of rates to produce gross revenues at least sufficient
16 to pay the expenses of operation and maintenance of the county
17 enterprise or combined county enterprise, and to leave a balance
18 of net revenues sufficient at all times to pay the principal
19 of and interest on the revenue bonds and pledge orders as they
20 become due and to maintain a reasonable reserve for the payment
21 of the principal and interest, and a sufficient portion of net
22 revenues shall be pledged for that purpose.

23 b. Rates shall be established by ordinance. Rates or charges
24 for the services of a county enterprise defined in section
25 331.461, subsection 2, paragraph "b", if not paid as provided
26 by ordinance, constitute a lien upon the premises served and may
27 be certified to the county treasurer and collected in the same
28 manner as taxes. The treasurer may charge five dollars for each
29 lien certified as an administrative expense, which amount shall
30 be added to the amount of the lien to be collected at the time
31 of payment of the assessment from the payor and credited to the
32 county general fund.

33 c. The aggregate of the rates and charges for solid waste
34 collection and disposal services shall not exceed the lower of
35 one hundred two percent of the aggregate of the rates and charges

1 from the previous budget year or the percentage increase in the
2 consumer price index for the midwest region as determined by the
3 United States department of labor, bureau of labor statistics,
4 or a successor index. Increases to rates and charges for solid
5 waste collection and disposal services planned prior to July 1,
6 2025, for repayment of debt incurred before July 1, 2025, shall
7 be excluded from rate and charge increase limits established in
8 this paragraph. If rate and charge increases for solid waste
9 collection and disposal services exceed the limits required in
10 this paragraph, the increased rate or charge shall be effective
11 at the start of the budget year. The board shall direct the
12 county commissioner of elections to submit to the registered
13 voters of the county at the next general election the question
14 of whether to accept the increased rate or charge by the proposed
15 amount. The result of the election shall take effect immediately
16 upon certification. If the question fails, all rates and
17 charges paid by customers for solid waste collection and disposal
18 services exceeding the limits established by this paragraph from
19 the beginning of the current budget year until the certification
20 of the general election shall be refunded by January 1 following
21 the general election and the aggregate of rates and charges for
22 solid waste collection and disposal services shall immediately be
23 reduced to the lower of one hundred two percent of the aggregate
24 of the rates and charges from the previous budget year or the
25 percentage increase in consumer price index for the midwest
26 region as determined by the United States department of labor,
27 bureau of labor statistics, or a successor index.

28 Sec. 3. Section 384.84, subsection 1, Code 2025, is amended
29 to read as follows:

30 1. a. The governing body of a city utility, combined
31 utility system, city enterprise, or combined city enterprise may
32 establish, impose, adjust, and provide for the collection of
33 rates and charges to produce gross revenues at least sufficient
34 to pay the expenses of operation and maintenance of the city
35 utility, combined utility system, city enterprise, or combined

1 city enterprise. When revenue bonds or pledge orders are issued
2 and outstanding pursuant to this subchapter, the governing body
3 shall establish, impose, adjust, and provide for the collection
4 of rates to produce gross revenues at least sufficient to pay
5 the expenses of operation and maintenance of the city utility,
6 combined utility system, city enterprise, or combined city
7 enterprise, and to leave a balance of net revenues sufficient to
8 pay the principal of and interest on the revenue bonds and pledge
9 orders as they become due and to maintain a reasonable reserve
10 for the payment of principal and interest, and a sufficient
11 portion of net revenues must be pledged for that purpose. Rates
12 must be established by ordinance of the council or by resolution
13 of the trustees, published in the same manner as an ordinance.

14 b. The aggregate of the rates and charges for solid waste
15 collection and disposal services shall not exceed the lower of
16 one hundred two percent of the aggregate of the rates and charges
17 from the previous budget year or the percentage increase in the
18 consumer price index for the midwest region as determined by the
19 United States department of labor, bureau of labor statistics,
20 or a successor index. Increases to rates and charges for solid
21 waste collection and disposal services planned prior to July 1,
22 2025, for repayment of debt incurred before July 1, 2025, shall
23 be excluded from rate and charge increase limits established in
24 this paragraph. If rate and charge increases for solid waste
25 collection and disposal services exceed the limits required in
26 this paragraph, the increased rate or charge shall be effective
27 at the start of the budget year. The governing body shall direct
28 the county commissioner of elections to submit to the registered
29 voters of the city at the next general election the question of
30 whether to accept the increased rate or charge by the proposed
31 amount. The result of the election shall take effect immediately
32 upon certification. If the question fails, all rates and
33 charges paid by customers for solid waste collection and disposal
34 services over the limits established by this paragraph from the
35 beginning of the current budget year until the certification of

1 the general election shall be refunded by January 1 following
2 the general election and the aggregate of rates and charges for
3 solid waste collection and disposal services shall immediately be
4 reduced to the lower of one hundred two percent of the aggregate
5 of the rates and charges from the previous budget year or the
6 percentage increase in consumer price index for the midwest
7 region as determined by the United States department of labor,
8 bureau of labor statistics, or a successor index.

9 Sec. 4. NEW SECTION. **427B.27 Property tax rebate — solid**
10 **waste collection and disposal services.**

11 1. A county board of supervisors or city council, as
12 applicable, shall provide a property tax rebate to real property
13 owners that opt out of using county or city-provided solid waste
14 collection and disposal services when these services are provided
15 to the real property owner without being charged a fee. The
16 rebate shall equal the amount of property taxes paid by the
17 real property owner that is allocated by the county board of
18 supervisors or city council to fund solid waste collection and
19 disposal services for the most recently completed fiscal year. A
20 county board of supervisors shall grant rebates only for property
21 located outside of the corporate limits of a city, and a city
22 council shall grant rebates only for property located within the
23 corporate limits of the city.

24 2. An application shall be filed by a real property owner
25 who opts out of solid waste collection and disposal services for
26 each property for which a rebate is sought. Applications shall
27 be filed with the respective county board of supervisors or the
28 city council by September 30 of the year following the fiscal
29 year for which the owner opted out of solid waste collection and
30 disposal services. After the initial application, the rebate
31 shall continue to be paid each year unless the real property
32 owner opts back in to receiving solid waste collection and
33 disposal services or if title to the rebated property changes
34 from the name of the person or entity originally receiving the
35 rebate.

1 3. The board of supervisors or city council shall approve the
2 application unless the information provided is not satisfactory
3 under this section. Upon approval of the application by the
4 board of supervisors, each year after the applicant has paid any
5 property taxes due, the board shall direct the county treasurer
6 to issue a warrant to the real property owner in the amount of
7 the rebate granted. Upon approval of the application by the
8 city council, each year after the applicant has paid any property
9 taxes due, the council shall direct the city clerk to issue a
10 warrant to the real property owner in the amount of the rebate
11 granted.

12 4. Applications for a rebate shall be made on forms
13 prescribed by the director of revenue and shall contain
14 information pertaining to the real property owner's alternative
15 solid waste disposal service and other information deemed
16 necessary by the director.

17 Sec. 5. CODE EDITOR DIRECTIVES.

18 1. The Code editor shall designate section 427B.27, as
19 enacted in this Act, as a new subchapter within chapter 427B,
20 entitled "Solid Waste Collection and Disposal Services Opt Out
21 Rebate".

22 2. The Code editor may modify subchapter titles if necessary
23 and is directed to correct internal references in the Code as
24 necessary due to enactment of section 427B.27.

25 EXPLANATION

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

28 This bill creates a maximum yearly increase allowed for
29 solid waste collection and disposal rates charged by counties,
30 cities, and intergovernmental solid waste collection and disposal
31 services. The bill sets the maximum increase of solid waste
32 collection and disposal services rates and charges at 2 percent
33 more than the aggregate of rates and charges from the previous
34 budget year or the percentage increase of the consumer price
35 index for the midwest region, whichever is lower. The bill

1 excludes increases to rates and charges planned prior to July
2 1, 2025, for repayment of debt incurred before July 1, 2025,
3 from the increase limits. The bill provides that if rate and
4 charge increases exceed the limits, the increased rate or charge
5 shall be effective at the start of the budget year. The relevant
6 authority shall direct the county commissioner of elections to
7 submit to the registered voters of the jurisdiction at the next
8 general election the question of whether to accept the increased
9 rate or charge by the proposed amount. The result of the
10 election shall take effect immediately upon certification. If
11 the question fails, all rates and charges paid by customers
12 for solid waste collection and disposal services exceeding the
13 limits required by the bill from the beginning of the current
14 budget year until the certification of the general election
15 shall be refunded by January 1 following the general election.
16 Additionally, if the question fails, the rates and charges for
17 solid waste collection and disposal services shall immediately be
18 reduced to 2 percent more than the aggregate of rates and charges
19 from the previous budget year or the percentage increase of the
20 consumer price index for the midwest region, whichever is lower.
21 The bill also creates a property tax rebate for real property
22 owners who opt out of solid waste collection and disposal
23 services provided by a governmental entity if the governmental
24 entity does not charge fees for solid waste services and provides
25 relevant information concerning the application and the payment
26 time frame. The amount of the rebate shall be determined by
27 calculating how much of the real property owner's property taxes
28 were allocated to the costs of solid waste services. To obtain
29 this rebate, the real property owner must submit an application
30 to the relevant authority that provides information relating
31 to its alternative solid waste collection and disposal service
32 provider, along with other information deemed necessary by the
33 department of revenue.