

Reported Recommending
Ind. Postponed
Passed House
Failed to Pass House.....
Passed Senate
Failed to Pass Senate.....

House File 65

January 21, 1947.
Ways and Means.

By McFARLANE and REDMAN.

A BILL FOR

An Act to provide for the assessment and taxation of municipally owned public utilities, including gas, heating and electric plants, distribution systems, toll bridges and street railway or bus lines; imposing certain taxes upon such utilities; and amending sections four hundred twenty-seven point one (427.1), four hundred twenty-eight point twenty-four (428.24), four hundred twenty-eight point twenty-six ((428.26), four hundred twenty-eight point twenty-eight (428.28), Code 1946.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Section four hundred twenty-seven point one
2 (427.1), Code 1946, is hereby amended by striking the period
3 (.) at the end of line five (5) of subsection two (2) and
4 substituting in lieu a comma (,) and adding the following:
5 "except as specifically otherwise provided by law,"; and by
6 adding the following provisions: "The property of any gas works,
7 pipe line, heating plant, electric line, distribution system, or
8 power plant, street railway, bus line or toll bridge owned by
9 any incorporated city or town or subdivision thereof, shall be
10 exempt from all property taxes levied by the municipality or
11 any of its municipal subdivisions, but shall be subject to all
12 state, school, county or other property taxes."

1 Sec. 2. Section four hundred twenty-eight point twenty-four
2 (428.24), Code 1946, is hereby amended by adding the following:

3 “The property of any gas works, pipe line, heating plant,
4 electric line, distribution system or power plant, street
5 railway, bus line or toll bridge, owned by any incorporated
6 city or town or any subdivision thereof, shall also be listed
7 and assessed by the state tax commission.”

1 Sec. 3. Section four hundred twenty-eight point twenty-six
2 (428.26), Code 1946, is hereby amended by adding thereto the
3 following:

4 “The personal property of any gas works, pipe line, heating
5 plant, electric line, distribution system or power plant, street
6 railway, bus line or toll bridge, owned by any incorporated city
7 or town or any subdivision thereof, shall also be listed and
8 assessed by the state tax commission.”

1 Sec. 4. Section four hundred twenty-eight point
2 twenty-eight (428.28), Code 1946, is hereby amended by adding
3 the following:

4 “Every incorporated city or town owning or operating any
5 gas works, pipe line, heating plant, electric line, distribution
6 system or power plant, street railway, bus line or toll bridge,
7 shall annually on or before the first day of May of each calendar
8 year, make a report on blanks to be provided by the state tax
9 commission, of all such property owned municipally, and
10 give such other information as the state tax commission shall
11 require.”

1 Sec. 5. There is hereby imposed upon municipally owned
2 public utilities the assessment of which is provided for by
3 this Act, all property taxes levied by the districts where such
4 property is located other than those levied by cities and towns.
5 Such taxes shall be imposed and collected in the same manner as
6 other property taxes in such taxing districts, and shall be
7 apportioned to the taxing districts affected as are other
8 property tax levies, for the use and benefit of such taxing
9 districts, provided that no incorporated city or town shall
10 receive any apportionment of the taxes levied upon municipally
11 owned public utilities, the assessment of which is provided by
12 this Act.

1 Sec. 6. This Act being deemed of immediate importance,
2 shall be in full force and effect from and after its passage
3 and publication in, a newspaper
4 published at, Iowa, and the,
5, a newspaper published at, Iowa.

EXPLANATION OF H. F. 65

The bill presented on this subject provides for the assessment of properties owned by municipalities and operated as public utilities or with a view to profit to the municipalities. Waterworks and sewer systems are not included. Such properties would not be subject to municipal levies, but would be subject to school, county or state levies.

This recommendation follows the report of the Brookings Institution. It is felt by the committee that waterworks and sewer systems should not be subject to taxation, as they are generally conducted with little view to earning a profit, and are utilities which are required for the use of every citizen in the municipality.