

February 20, 1963.
Public Utilities.

House File 300
By DIETZ.

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

A BILL FOR

An Act relating to the taxing of electric transmission lines
owned or operated by co-operative corporations or associa-
tions not organized or operated for profit.

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

1 Section 1. Section four hundred thirty-seven point one (437.1),
2 Code 1962, is hereby amended by striking from lines five (5)
3 through seven (7) the following: "(except co-operative corpora-
4 tions or associations which are not organized or operated for
5 profit)".

1 Sec. 2. Section four hundred thirty-seven point fourteen
2 (437.14), Code 1962, is hereby repealed.

1 Sec. 3. Section four hundred thirty-one point one (431.1),
2 Code 1962, is hereby amended by striking from line five (5) the
3 following: "and except as provided in section 437.14,".

1 Sec. 4. Section four hundred twenty point two hundred seven
2 (420.207), Code 1962, is hereby amended by striking from line five
3 (5) the following: "437.14,".

1 Sec. 5. Section four hundred twenty-eight point twenty-eight
2 (428.28), Code 1962, is hereby amended by striking from line
3 three (3) the words "operating for profit," and inserting in
4 lieu thereof the words ", except municipal corporations and sub-
5 divisions thereof, operating".

EXPLANATION OF HOUSE FILE 300

This bill carries out the intent of the General Assembly in imposing property taxes
on transmission lines owned or operated by co-operative corporations or organizations

now taxed under the provisions of section 437.14, Code 1962. The Iowa Tax Commission, in a footnote to this section in Iowa Revenue Laws, 1955, has declared the present provision so vague and indefinite as not to be operative and has declined to assess the tax provided therein.

By removing the exemption in section 1 (437.1) this tax is assessed against the co-operative corporation or association itself, rather than against its members as is provided in section 437.14. Assessment of all electric transmission lines will then be by an identical method. The property tax on the balance of properties used by electric service companies is now assessed in an identical way—section 428.24, Code 1962. The necessity to derive all revenue intended to be assessed for the support of state and local government is evident.