

FEB 19 2002
LOCAL GOVERNMENT

HOUSE FILE 2428
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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act creating a township fire department fund and allocating a
2 certain portion of insurance premiums tax to the township fire
3 department fund, making an appropriation, and including a
4 retroactive applicability date provision.

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

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HF 2428

1 Section 1. NEW SECTION. 100B.12 TOWNSHIP FIRE DEPARTMENT
2 FUND.

3 1. A township fire department fund is created and
4 established as a separate and distinct fund in the state
5 treasury under the control of the division of fire protection
6 of the department of public safety.

7 2. Revenue for the township fire department fund shall
8 include, but is not limited to, the following:

9 a. Moneys credited to the fund pursuant to section 432.15.

10 b. Moneys in the form of a devise, gift, bequest,
11 donation, or federal or other grant intended to be used for
12 the purposes of the fund.

13 3. Moneys in the township fire department fund are not
14 subject to section 8.33. Notwithstanding section 12C.7,
15 subsection 2, interest or earnings on moneys in the fund shall
16 be credited to the fund.

17 4. Moneys in the township fire department fund are
18 appropriated to the division of fire protection of the
19 department of public safety for annual distribution to
20 townships that levy a property tax pursuant to section 359.43
21 as follows:

22 a. One-half of the moneys in the fund shall be distributed
23 to each township in the proportion that the taxable valuation
24 in the township bears to the entire taxable valuation of all
25 townships in the state.

26 b. One-half of the moneys in the fund shall be distributed
27 to each township in the proportion that the population in the
28 township bears to the entire population of all townships in
29 the state.

30 5. Distributions from the fund shall be used by townships
31 for the purchase of supplies and equipment necessary to
32 provide fire protection service, for facilities to house the
33 supplies and equipment, and to pay for training of township
34 fire fighters. Townships that have entered into emergency
35 service agreements with a municipality for fire protection

1 pursuant to section 28E.32 may transfer moneys received from
2 the fund to the municipality for the purposes specified in
3 this subsection.

4 Sec. 2. NEW SECTION. 432.15 PROPERTY INSURANCE PREMIUM
5 TAXES -- DEPOSIT IN TOWNSHIP FIRE DEPARTMENT FUND.

6 The amounts paid as taxes pursuant to section 432.1,
7 subsection 2, from insurance on property, on insurance
8 policies or contracts first issued on or after January 1,
9 2002, or on increases in premiums on policies or contracts
10 issued for insurance on property prior to January 1, 2002,
11 shall be deposited in the township fire department fund
12 created in section 100B.12.

13 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
14 retroactively to January 1, 2002, for tax years beginning on
15 or after that date.

16 EXPLANATION

17 This bill creates the township fire department fund under
18 the control of the division of fire protection of the
19 department of public safety.

20 The bill provides that insurance premium taxes paid on
21 policies or contracts for insurance on property issued on or
22 after January 1, 2002, or taxes on increases in premiums on
23 policies or contracts issued for insurance on property before
24 that date, shall be credited to the fund.

25 Moneys in the fund are appropriated to the division of fire
26 protection of the department of public safety to be
27 distributed to those townships levying a property tax for fire
28 protection based on the taxable valuation in the township and
29 the population of the township.

30 Moneys from the fund received by townships are to be used
31 to purchase supplies and equipment, to pay for facilities to
32 house the supplies and equipment, and to pay for training of
33 township fire fighters. Townships that have entered into
34 emergency service agreements with a municipality for fire
35 protection may transfer moneys received from the fund to the

1 municipality for the purposes specified.

2 The bill applies retroactively to tax years beginning on or
3 after January 1, 2002.

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