

4-17-01 Motion to R/c Bartz, Iverson, Shearer,

4/23/01 Motion to R/c by Iverson Prevalid
all other O/O

REF. FILE

FILED MAR 28 '01

S. 4/23/01 Rereferred To: Ways & Means

S. 4/23/01 Do Pass

S. 4/24/01 Motion to R/c
from floor O/O

H. 4/24/01 W. - mem
H. 4/27/01 Do Pass

SENATE FILE

514

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 226)

(SUCCESSOR TO SF 31)

Failed

(P.1161)

Passed Senate, Date 4-17-01 Passed House, Date _____

Vote: Ayes 23 Nays 26 Vote: Ayes _____ Nays _____

Approved _____

Passed 4-24-01
Vote 28-20

(p. 266)

A BILL FOR

1 An Act relating to a maximum property tax dollars limitation for
2 counties and providing for the Act's applicability.

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

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SF 514

1 Section 1. Section 23A.2, subsection 10, paragraph h, Code
2 2001, is amended by striking the paragraph.

3 Sec. 2. NEW SECTION. 28L.1 IOWA COMMISSION ON STATE AND
4 LOCAL TAXATION.

5 1. An Iowa commission on state and local taxation is
6 created which shall consist of thirteen members appointed as
7 follows:

8 a. Three senators appointed by the majority leader of the
9 senate, one of whom shall be nominated by the minority leader
10 of the senate. Two of the appointees shall be residents of a
11 county with a population of less than forty thousand.

12 b. Three representatives appointed by the speaker of the
13 house, one of whom shall be nominated by the minority leader
14 of the house. Two of the appointees shall be residents of a
15 county with a population of less than forty thousand.

16 c. One member appointed by the Iowa state association of
17 counties.

18 d. One member appointed by the Iowa league of cities.

19 e. One member appointed by the Iowa association of school
20 boards.

21 f. One member from an organization representing
22 agricultural interests appointed jointly by the majority
23 leader of the senate and the speaker of the house.

24 g. One member from an organization representing taxpayers
25 and appointed jointly by the majority leader of the senate and
26 the speaker of the house.

27 h. One member from an organization representing business
28 taxpayers and appointed jointly by the majority leader of the
29 senate and the speaker of the house.

30 i. One member representing small business owners appointed
31 jointly by the majority leader of the senate and the speaker
32 of the house.

33 2. In making all appointments, consideration shall be
34 given to gender, race, or ethnic representation, population
35 and demographic factors, and representation of different

1 geographic regions. Appointments made under subsection 1,
2 paragraphs "c" through "e", are not subject to section 69.16
3 or 69.16A.

4 3. Members of the commission shall hold office for four
5 years beginning June 1 of the year of appointment and until
6 their successors are appointed, except that three initial
7 appointees shall be appointed for one year, three initial
8 appointees for two years, four initial appointees for three
9 years, and three initial appointees for four years. The
10 commission shall conduct its organizational meeting no later
11 than September 1, 2001, and at that meeting shall elect a
12 chairperson to serve until May 2002.

13 4. Legislative members of the commission are eligible for
14 per diem and expenses as provided in section 2.10. Other
15 members of the commission shall be reimbursed for actual and
16 necessary expenses incurred in performance of their duties.
17 Members may also be eligible to receive compensation as
18 provided in section 7E.6.

19 5. A majority of the commission members shall constitute a
20 quorum. For the purpose of conducting business, a majority
21 vote of the commission shall be required. Beginning in May
22 2002, the commission shall meet in May of each year for the
23 purpose of electing one of its members as chairperson. The
24 commission shall meet quarterly and at other times as
25 necessary at the call of the chairperson or when any five
26 members of the commission file a written request with the
27 chairperson for a meeting. Written notice of the time and
28 place of each meeting shall be given to each member of the
29 commission.

30 6. The commission may establish committees, as it deems
31 advisable and feasible, whose membership shall include at
32 least two members of the commission, but only the commission
33 may take final action on a proposal or recommendation of a
34 committee.

35 7. Any vacancy shall be filled in the same manner as

1 regular appointments are made for the unexpired portion of the
2 regular term. A member of the commission may be removed for
3 any of the causes and in the manner provided in chapter 66.

4 Sec. 3. NEW SECTION. 28L.2 STAFF AND FACILITIES.

5 The commission and committees established by the commission
6 may accept technical and operational assistance from the staff
7 of the legislative service bureau and the legislative fiscal
8 bureau, other state or federal agencies, units of local
9 governments, or any other public or private source. The
10 directors of the legislative service bureau and the
11 legislative fiscal bureau may assign professional, technical,
12 legal, clerical, or other staff, as necessary and authorized
13 by the legislative council for continued operation of the
14 commission. However, technical and operational assistance
15 provided by the bureaus shall be provided within existing
16 appropriations made to or with existing resources of the
17 legislative service bureau and legislative fiscal bureau. The
18 legislative council may also provide to the commission
19 available facilities and equipment as requested by the
20 commission. The legislative council shall provide funding for
21 consulting services should the commission deem it appropriate.

22 Sec. 4. NEW SECTION. 28L.3 REVIEW OF STATE AND LOCAL
23 REVENUE AND SERVICES.

24 1. The commission shall conduct a review of the following:

25 a. Revenue sources available to local governments,
26 including taxes, fees, state appropriations, and federal
27 moneys.

28 b. Revenue sources available to the state, including
29 taxes, fees, and federal moneys, and the portion of state
30 revenues annually appropriated, or otherwise disbursed, to
31 local governments.

32 c. Services provided by local governments, including those
33 provided at the discretion of a local government and those
34 mandated by federal or state statutes and regulations.

35 2. In conducting its review of revenue sources, the

1 commission shall study state and local taxes from the
2 standpoint of equity, neutrality, competitiveness, simplicity,
3 and stability.

4 3. The commission shall hold public hearings to allow
5 persons and organizations to be heard.

6 4. The commission shall submit a report to the general
7 assembly on the status of the review no later than March 15,
8 2002. The status report shall summarize the commission's
9 activities to date and may include such other information that
10 the commission deems relevant and necessary.

11 5. a. The commission shall submit a final report to the
12 general assembly no later than January 15, 2006.

13 b. The final report shall include the following:

14 (1) A statement of goals that the commission believes are
15 necessary to achieve principles of taxation agreed upon by the
16 committee.

17 (2) Any strategies formulated by the commission that
18 consist of recommended methods of state and local taxation,
19 specific structural changes, and any modifications to the
20 current system of state and local taxation.

21 (3) Such other information that the commission deems
22 relevant and necessary.

23 6. This section shall not be construed to preclude the
24 enactment of legislation that eliminates or reduces any state
25 or local government tax during the period the Iowa commission
26 on state and local taxation is conducting the review required
27 by this section.

28 Sec. 5. NEW SECTION. 28L.4 DUTIES OF THE COMMISSION.

29 The commission shall:

30 1. Conduct the review as required in section 28L.3.

31 2. Monitor legislative or administrative action on
32 recommendations in the report required in section 28L.3.

33 3. Annually report on the state of local governments in
34 Iowa.

35 4. Annually report on state and federal issues relating to

1 local government that have a potential fiscal impact on local
2 governments.

3 5. Annually report on court decisions having an impact on
4 state and local government revenue or services.

5 6. The reports in subsections 3, 4, and 5 shall be filed
6 with the governor, president of the senate, speaker of the
7 house, and the majority and minority leaders of each house,
8 and shall be made available to legislators and the public upon
9 request. The reports must be submitted no later than January
10 15 of each year.

11 Sec. 6. NEW SECTION. 28L.5 INFORMATION.

12 The commission may request from any state agency or
13 official the information and assistance as needed to perform
14 the duties of the commission. A state agency or official
15 shall furnish the information or assistance requested within
16 the authority and resources of the state agency or official.
17 This section does not allow the examination or copying of any
18 public record which is required by law to be kept
19 confidential.

20 Sec. 7. NEW SECTION. 28L.6 FUTURE REPEAL.

21 This chapter is repealed effective July 1, 2006.

22 Sec. 8. Section 123.38, unnumbered paragraph 2, Code 2001,
23 is amended to read as follows:

24 Any licensee or permittee, or the licensee's or permittee's
25 executor or administrator, or any person duly appointed by the
26 court to take charge of and administer the property or assets
27 of the licensee or permittee for the benefit of the licensee's
28 or permittee's creditors, may voluntarily surrender a license
29 or permit to the division. When a license or permit is
30 surrendered the division shall notify the local authority, and
31 the division or the local authority shall refund to the person
32 surrendering the license or permit, a proportionate amount of
33 the fee received by the division or the local authority for
34 the license or permit as follows: if a license or permit is
35 surrendered during the first three months of the period for

1 which it was issued, the refund shall be three-fourths of the
2 amount of the fee; if surrendered more than three months but
3 not more than six months after issuance, the refund shall be
4 one-half of the amount of the fee; if surrendered more than
5 six months but not more than nine months after issuance, the
6 refund shall be one-fourth of the amount of the fee. No
7 refund shall be made, however, for any special liquor permit,
8 nor for a liquor control license, wine permit, or beer permit
9 surrendered more than nine months after issuance. For
10 purposes of this paragraph, any portion of license or permit
11 fees used for the purposes authorized in section ~~331.424~~,
12 ~~subsection-1, paragraphs-"a"-and-"b"~~, and in section 331.424A,
13 shall not be deemed received either by the division or by a
14 local authority. No refund shall be made to any licensee or
15 permittee, upon the surrender of the license or permit, if
16 there is at the time of surrender, a complaint filed with the
17 division or local authority, charging the licensee or
18 permittee with a violation of this chapter. If upon a hearing
19 on a complaint the license or permit is not revoked or
20 suspended, then the licensee or permittee is eligible, upon
21 surrender of the license or permit, to receive a refund as
22 provided in this section; but if the license or permit is
23 revoked or suspended upon hearing the licensee or permittee is
24 not eligible for the refund of any portion of the license or
25 permit fee.

26 Sec. 9. Section 218.99, Code 2001, is amended to read as
27 follows:

28 218.99 COUNTIES TO BE NOTIFIED OF PATIENTS' PERSONAL
29 ACCOUNTS.

30 The administrator in control of a state institution shall
31 direct the business manager of each institution under the
32 administrator's jurisdiction ~~which-is-mentioned-in-section~~
33 ~~331.424,--subsection-1, paragraphs-"a"-and-"b"~~, and for which
34 services are paid under section 331.424A, to quarterly inform
35 the county of legal settlement's entity designated to perform

1 the county's single entry point process of any patient or
2 resident who has an amount in excess of two hundred dollars on
3 account in the patients' personal deposit fund and the amount
4 on deposit. The administrators shall direct the business
5 manager to further notify the entity designated to perform the
6 county's single entry point process at least fifteen days
7 before the release of funds in excess of two hundred dollars
8 or upon the death of the patient or resident. If the patient
9 or resident has no county of legal settlement, notice shall be
10 made to the director of human services and the administrator
11 in control of the institution involved.

12 Sec. 10. Section 331.301, subsection 12, Code 2001, is
13 amended to read as follows:

14 12. The board of supervisors may credit funds to a reserve
15 for the purposes authorized by subsection 11 of this section;
16 ~~section-331.424, subsection-1, paragraph-"f"~~; and section
17 331.441, subsection 2, paragraph "b". Moneys credited to the
18 reserve, and interest earned on such moneys, shall remain in
19 the reserve until expended for purposes authorized by
20 subsection 11 of this section;
21 ~~section-331.424, subsection-1, paragraph-"f"~~; or section 331.441, subsection 2, paragraph
22 "b".

23 Sec. 11. Section 331.325, Code 2001, is amended to read as
24 follows:

25 331.325 CONTROL AND MAINTENANCE OF PIONEER CEMETERIES --
26 CEMETERY COMMISSION.

27 1. As used in this section, "pioneer cemetery" means a
28 cemetery where there have been six or fewer burials in the
29 preceding fifty years.

30 2. Each county board of supervisors may adopt an ordinance
31 assuming jurisdiction and control of pioneer cemeteries in the
32 county. The board shall exercise the powers and duties of
33 township trustees relating to the maintenance and repair of
34 cemeteries in the county as provided in sections 359.28
35 through 359.41 except that the board shall not certify a tax

1 levy pursuant to section 359.30 or 359.33 and except that the
2 maintenance and repair of all cemeteries under the
3 jurisdiction of the county including pioneer cemeteries shall
4 be paid from the ~~county-general~~ cemetery fund. The
5 maintenance and improvement program for a pioneer cemetery may
6 include restoration and management of native prairie grasses
7 and wildflowers.

8 3. In lieu of management of the cemeteries, the board of
9 supervisors may create, by ordinance, a cemetery commission to
10 assume jurisdiction and management of the pioneer cemeteries
11 in the county. The ordinance shall delineate the number of
12 commissioners, the appointing authority, the term of office,
13 officers, employees, organizational matters, rules of
14 procedure, compensation and expenses, and other matters deemed
15 pertinent by the board. The board may delegate any power and
16 duties relating to cemeteries which may otherwise be exercised
17 by township trustees pursuant to sections 359.28 through
18 359.41 to the cemetery commission except the commission shall
19 not certify a tax levy pursuant to section 359.30 or 359.33
20 and except that the expenses of the cemetery commission shall
21 be paid from the ~~county-general~~ cemetery fund.

22 4. Notwithstanding sections 359.30 and 359.33, the costs
23 of management, repair, and maintenance of pioneer cemeteries
24 shall be paid from the ~~county-general~~ cemetery fund.

25 Sec. 12. Section 331.421, subsections 1 and 10, Code 2001,
26 are amended by striking the subsections.

27 Sec. 13. Section 331.421, Code 2001, is amended by adding
28 the following new subsection:

29 NEW SUBSECTION. 7A. "Item" means a budgeted expenditure,
30 appropriation, or cash reserve from a fund for a service area,
31 program, program element, or purpose.

32 Sec. 14. Section 331.422, Code 2001, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 2A. Taxes in the amount necessary to meet
35 obligations under section 331.425, subsection 1, paragraphs

1 "a" and "b", shall be levied on all taxable property in the
2 county.

3 Sec. 15. Section 331.423, Code 2001, is amended by
4 striking the section and inserting in lieu thereof the
5 following:

6 331.423 PROPERTY TAX DOLLARS -- MAXIMUMS.

7 1. Annually, the board shall determine separate property
8 tax levy limits to pay for general county services and rural
9 county services in accordance with this section. The property
10 tax levies separately certified for general county services
11 and rural county services in accordance with section 331.434
12 shall not exceed the amount determined under this section.

13 2. For purposes of this section and sections 331.423A and
14 331.423B:

15 a. "Annual price index" means the change, computed to four
16 decimal places, between the preliminary price index for the
17 third quarter of the calendar year preceding the calendar year
18 in which the fiscal year starts and the revised price index
19 for the third quarter of the previous calendar year as
20 published in the same issue in which such preliminary price
21 index is first published. The price index used shall be the
22 state and local government chain-type price index used in the
23 quantity and price indexes for gross domestic product as
24 published by the United States department of commerce. The
25 annual price index shall not be less than zero and shall not
26 exceed four hundredths. The change shall then be added to one
27 to create a multiplier for the annual price index. For the
28 fiscal year beginning July 1, 2002, the annual price index as
29 defined in this paragraph, for the purposes of determining the
30 tentative maximum property tax dollars for general county
31 services and rural county services under section 331.423,
32 subsection 3, shall be the same as the annual price index
33 certified for the fiscal year beginning July 1, 2001, as
34 applied in section 331.423A, subsection 3.

35 b. "Boundary adjustment" means annexation, severance,

1 incorporation, or discontinuance as those terms are defined in
2 section 368.1.

3 c. "Budget year" is the fiscal year beginning during the
4 calendar year in which a budget is first certified.

5 d. "Current fiscal year" is the fiscal year ending during
6 the calendar year in which a budget is first certified.

7 e. "Local sales and services taxes" means local sales and
8 services taxes imposed under the authority of chapter 422B.

9 f. "Net new valuation taxes" means the amount of property
10 tax dollars equal to the tentative maximum general rate for
11 purposes of the general fund, or the tentative maximum rural
12 rate for purposes of the rural services fund, times the
13 increase from the previous fiscal year in taxable valuation
14 due to the following:

15 (1) Net new construction excluding all incremental
16 valuation that is released in any one year from an urban
17 renewal area for which taxes are being divided under section
18 403.19 if the property remains part of the urban renewal area.

19 (2) Additions or improvements to existing structures.

20 (3) Remodeling of existing structures for which a building
21 permit is required.

22 (4) Net boundary adjustment.

23 (5) A municipality no longer dividing tax revenues in an
24 urban renewal area as provided in section 403.19, to the
25 extent that the incremental valuation released is due to new
26 construction or revaluation on property newly constructed
27 after the division of revenue begins.

28 (6) That portion of taxable property located in an urban
29 revitalization area on which an exemption was allowed and such
30 exemption has expired.

31 g. "Property tax replacement dollars" means revenues
32 received under sections 427B.17 through 427B.19D, revenues
33 received under chapter 437A, subchapter II, revenues received
34 under section 99F.11 that are specifically designated for
35 property tax relief in the current fiscal year, and amounts

1 appropriated by the general assembly for property tax relief
2 first enacted for fiscal years beginning on or after July 1,
3 2001.

4 h. "Tentative maximum general rate" means the amount
5 calculated in subsection 3, paragraph "b", subparagraph (1),
6 divided by the net taxable valuation in the county. For
7 purposes of this paragraph, "net taxable valuation" is the
8 amount of taxable valuation in the county minus the amount of
9 taxable valuation used to calculate net new valuation taxes.

10 i. "Tentative maximum rural rate" means the amount
11 calculated in subsection 3, paragraph "c", subparagraph (1),
12 divided by the net taxable valuation in the unincorporated
13 area of the county. For purposes of this paragraph, "net
14 taxable valuation" is the amount of taxable valuation in the
15 unincorporated area of the county minus the amount of taxable
16 valuation in the unincorporated area of the county used to
17 calculate net new valuation taxes.

18 j. "Unused taxing authority" means the maximum amount of
19 property tax dollars calculated under subsection 3 for a
20 fiscal year minus the amount actually levied under this
21 section in that fiscal year. Unused taxing authority may be
22 carried forward to the following fiscal year. However, the
23 amount of unused taxing authority which may be carried forward
24 shall not exceed twenty-five percent of the maximum amount of
25 property tax dollars available in the current fiscal year.

26 3. a. Effective for and after the fiscal year beginning
27 July 1, 2002, the maximum amount of property tax dollars
28 levied which may be certified by a county for general county
29 services and rural county services shall be the tentative
30 maximum property tax dollars calculated under paragraphs "b"
31 and "c", respectively, and adjusted by the amounts in
32 paragraphs "d", "e", and "f".

33 b. The tentative maximum property tax dollars for general
34 county services is an amount equal to the sum of the
35 following:

1 (1) The current fiscal year's tentative maximum property
2 tax dollars for general county services minus the unused
3 taxing authority carried forward from the previous fiscal year
4 times the annual price index.

5 (2) The amount of net new valuation taxes.

6 (3) The amount of unused taxing authority carried forward
7 from the previous fiscal year.

8 c. The tentative maximum property tax dollars for rural
9 county services is an amount equal to the sum of the
10 following:

11 (1) The current fiscal year's tentative maximum property
12 tax dollars for rural county services minus the unused taxing
13 authority carried forward from the previous fiscal year times
14 the annual price index.

15 (2) The amount of net new valuation taxes.

16 (3) The amount of unused taxing authority carried forward
17 from the previous fiscal year.

18 d. Subtract the amount of property tax replacement dollars
19 to be received for the budget year that will be deposited in
20 the general fund or the rural services fund, as applicable.

21 e. Subtract the amount of local sales and services taxes
22 for property tax relief estimated by the department of revenue
23 and finance to be received for the budget year that will be
24 deposited in the general fund or the rural services fund, as
25 applicable.

26 f. Subtract the amount of local sales and services taxes
27 received for property tax relief in the previous fiscal year
28 for the county general fund and rural services fund, and add
29 the amount of local sales and services taxes that was budgeted
30 for property tax relief for each of those funds in that fiscal
31 year.

32 4. Property taxes certified for deposit in the mental
33 health, mental retardation, and developmental disabilities
34 services fund in section 331.424A, the cemetery fund in
35 section 331.424B, the county supplemental fund in section

1 331.425, and the debt service fund in section 331.430, any
2 capital projects fund established by the county for deposit of
3 bond, loan, or note proceeds, and any temporary increase
4 approved pursuant to section 331.424, are not counted against
5 the maximum amount of property tax dollars that may be
6 certified for the fiscal year under subsection 3.

7 5. The department of management shall adopt rules to
8 administer this section and sections 331.423A and 331.423B
9 after consultation with the county finance committee.

10 Sec. 16. NEW SECTION. 331.423A BASE YEAR PROPERTY TAX
11 DOLLARS.

12 1. For purposes of calculating maximum property tax
13 dollars under section 331.423, the tentative maximum property
14 tax dollars for the fiscal year beginning July 1, 2000, for
15 general county services shall be calculated as provided in
16 this subsection. For purposes of the base year calculation,
17 the amount of property taxes levied for general county
18 services shall include the amounts levied for each fiscal year
19 for general county services pursuant to sections 331.423,
20 331.424, and 331.426, Code 2001, and exclude the amount of
21 property tax dollars levied for the purposes described in
22 section 331.423, subsection 4, and section 331.425 in each
23 fiscal year. For purposes of the base year calculation, the
24 amount of property taxes levied for rural county services
25 shall include the amounts levied for each fiscal year for
26 rural county services pursuant to sections 331.423, 331.424,
27 and 331.426, Code 2001, and exclude the amount of property tax
28 dollars levied for the purposes described in section 331.423,
29 subsection 4, and section 331.425 in each fiscal year.

30 a. The tentative maximum amount of property tax dollars
31 for general county services for taxes payable in the fiscal
32 year beginning July 1, 2000, shall be an amount equal to the
33 sum of the following, divided by three, and adjusted by the
34 amount in paragraph "b":

35 (1) The sum of the amount of property taxes levied for

1 general county services and the amount of property tax
2 replacement dollars received, the amount of revenues received
3 under section 99F.11 that were specifically designated for
4 property tax relief, and the amount of local sales and
5 services tax revenues received as property tax relief and
6 deposited in the general fund, all for the fiscal year
7 beginning July 1, 1997, times one and one hundred ten
8 thousandths.

9 (2) The sum of the amount of property taxes levied for
10 general county services and the amount of property tax
11 replacement dollars received, the amount of revenues received
12 under section 99F.11 that were specifically designated for
13 property tax relief, and the amount of local sales and
14 services tax revenues received as property tax relief and
15 deposited in the general fund, all for the fiscal year
16 beginning July 1, 1998, times one and eighty-nine thousandths.

17 (3) The sum of the amount of property taxes levied for
18 general county services and the amount of property tax
19 replacement dollars received, the amount of revenues received
20 under section 99F.11 that were specifically designated for
21 property tax relief, and the amount of local sales and
22 services tax revenues received as property tax relief and
23 deposited in the general fund, all for the fiscal year
24 beginning July 1, 1999, times one and sixty-seven thousandths.

25 b. The amount computed under the formula in paragraph "a"
26 shall be adjusted by subtracting the amount of the ending fund
27 balance differential for general county services as provided
28 in this paragraph. The ending fund balance differential for
29 general county services is the difference between the general
30 fund's ending balance for the fiscal year beginning July 1,
31 1999, and the general fund's ending balance for the fiscal
32 year beginning July 1, 1996, divided by three. However, for
33 purposes of this paragraph, the ending fund balance for the
34 fiscal year beginning July 1, 1996, and the fiscal year
35 beginning July 1, 1999, shall not include general obligation

1 bond proceeds deposited in the general fund.

2 2. For purposes of calculating maximum property tax
3 dollars under section 331.423, the tentative maximum property
4 tax dollars for the fiscal year beginning July 1, 2000, for
5 rural county services shall be calculated as provided in this
6 subsection.

7 a. The tentative maximum amount of property tax dollars
8 for rural county services for taxes payable in the fiscal year
9 beginning July 1, 2000, shall be an amount equal to the sum of
10 the following, divided by three, and adjusted by the amount in
11 paragraph "b":

12 (1) The sum of the amount of property taxes levied for
13 rural county services and the amount of property tax
14 replacement dollars received, the amount of revenues received
15 under section 99F.11 that were specifically designated for
16 property tax relief, and the amount of local sales and
17 services tax revenues received as property tax relief and
18 deposited in the rural services fund, all for the fiscal year
19 beginning July 1, 1997, times one and sixty-nine thousandths.

20 (2) The sum of the amount of property taxes levied for
21 rural county services and the amount of property tax
22 replacement dollars received, the amount of revenues received
23 under section 99F.11 that were specifically designated for
24 property tax relief, and the amount of local sales and
25 services tax revenues received as property tax relief and
26 deposited in the rural services fund, all for the fiscal year
27 beginning July 1, 1998, times one and forty-eight thousandths.

28 (3) The sum of the amount of property taxes levied for
29 rural county services and the amount of property tax
30 replacement dollars received, the amount of revenues received
31 under section 99F.11 that were specifically designated for
32 property tax relief, and the amount of local sales and
33 services tax revenues received as property tax relief and
34 deposited in the rural services fund, all for the fiscal year
35 beginning July 1, 1999, times one and twenty-six thousandths.

1 b. The amount computed under the formula in paragraph "a"
2 shall be adjusted by subtracting the amount of the ending fund
3 balance differential for rural county services as provided in
4 this paragraph. The ending fund balance differential for
5 rural county services is the difference between the rural
6 services fund's ending balance for the fiscal year beginning
7 July 1, 1999, and the rural services fund's ending balance for
8 the fiscal year beginning July 1, 1996, divided by three.

9 3. a. The tentative maximum amount of property tax
10 dollars for general county services for taxes payable in the
11 fiscal year beginning July 1, 2001, is an amount equal to the
12 amount computed in subsection 1 times the annual price index
13 plus the amount of net new valuation taxes.

14 b. The tentative maximum amount of property tax dollars
15 for rural county services for taxes payable in the fiscal year
16 beginning July 1, 2001, is an amount equal to the amount
17 computed in subsection 2 times the annual price index plus the
18 amount of net new valuation taxes.

19 4. Each county shall calculate its tentative maximum
20 property tax dollars under this section on forms prescribed by
21 the department of management.

22 Sec. 17. NEW SECTION. 331.423B ENDING FUND BALANCE.

23 1. Budgeted ending fund balances on a cash basis for a
24 budget year in excess of twenty-five percent of budgeted
25 expenditures in either the general fund, county supplemental
26 fund, or rural services fund for that budget year shall be
27 explicitly reserved or designated for a specific purpose and
28 specifically described in the certified budget. The
29 description shall include the projected date that the
30 expenditures will be appropriated for the specific purpose. A
31 county is encouraged, but not required, to reduce budgeted,
32 unreserved, or undesignated ending fund balances for the
33 budget year to an amount equal to approximately twenty-five
34 percent of budgeted expenditures in the general fund, county
35 supplemental fund, and rural services fund for that budget

1 year unless a decision is certified by the state appeal board
2 ordering a reduction in the ending fund balance of any of
3 those funds. In a protest to the county budget under section
4 331.436, the county shall have the burden of proving that the
5 budgeted balances in excess of twenty-five percent are
6 reasonably likely to be appropriated for the explicitly
7 reserved or designated specific purpose by the date identified
8 in the certified budget. The excess budgeted balance for the
9 specific purpose shall be considered an increase in an item in
10 the budget for purposes of section 24.28.

11 2. For a county that has, as of June 30, 2001, reduced its
12 actual ending fund balance to less than twenty-five percent of
13 actual expenditures on a cash basis, additional property taxes
14 may be computed and levied as provided in this subsection.
15 The additional property tax levy amount is an amount not to
16 exceed twenty-five percent of actual expenditures from the
17 general fund and rural services fund for the fiscal year
18 beginning July 1, 2000, minus the combined ending fund
19 balances for those funds for that year. The amount of the
20 additional property taxes shall be divided between the general
21 fund and the rural services fund in proportion to the amount
22 of actual expenditures for general county services to total
23 actual expenditures for general and rural county services for
24 the fiscal year beginning July 1, 2000, and in proportion to
25 the amount of actual expenditures for rural county services to
26 total actual expenditures for general and rural county
27 services for the fiscal year beginning July 1, 2000. However,
28 the amount apportioned for general county services and for
29 rural county services shall not exceed for each fund twenty-
30 five percent of actual expenditures for the fiscal year
31 beginning July 1, 2000.

32 All or a portion of additional property tax dollars may be
33 levied for the purpose of increasing cash reserves for general
34 county services and rural county services in the budget year.
35 The additional property tax dollars authorized under this

1 subsection but not levied may be carried forward as unused
2 ending fund balance taxing authority until and for the fiscal
3 year beginning July 1, 2007. The amount carried forward, when
4 combined with unused taxing authority shall not exceed twenty-
5 five percent of the maximum amount of property tax dollars
6 available in the current fiscal year. Additionally, property
7 taxes that are levied as unused ending fund balance taxing
8 authority under this subsection may be the subject of a
9 protest under section 331.436 and the amount will be
10 considered an increase in an item in the budget for purposes
11 of section 24.28. The amount of additional property taxes
12 levied under this subsection shall not be included in the
13 computation of the maximum amount of property tax dollars
14 which may be certified and levied under section 331.423.

15 Sec. 18. Section 331.424, Code 2001, is amended by
16 striking the section and inserting in lieu thereof the
17 following:

18 331.424 AUTHORITY TO LEVY BEYOND MAXIMUM PROPERTY TAX
19 DOLLARS.

20 1. The board may certify additions to the maximum amount
21 of property tax dollars to be levied for a period of time not
22 to exceed two years if the proposition has been submitted at a
23 special election and received a favorable majority of the
24 votes cast on the proposition.

25 2. The special election is subject to the following:

26 a. The board must give at least thirty-two days' notice to
27 the county commissioner of elections that the special election
28 is to be held.

29 b. The special election shall be conducted by the county
30 commissioner of elections in accordance with law.

31 c. The proposition to be submitted shall be substantially
32 in the following form:

33 "Vote "yes" or "no" on the following: Shall the county of
34 _____ levy for an additional \$ _____ each year for ____
35 years beginning July 1, _____, in excess of the statutory

1 limits otherwise applicable for the (general county services
2 or rural services) fund?"

3 d. The canvass shall be held beginning at one p.m. on the
4 second day which is not a holiday following the special
5 election.

6 e. Notice of the special election shall be published at
7 least once in a newspaper as specified in section 331.305
8 prior to the date of the special election. The notice shall
9 appear as early as practicable after the board has voted to
10 submit a proposition to the voters to levy additional property
11 tax dollars.

12 3. Registered voters in the county may vote on the
13 proposition to increase property taxes for the general fund in
14 excess of the statutory limit. Registered voters residing
15 outside the corporate limits of a city within the county may
16 vote on the proposition to increase property taxes for the
17 rural services fund in excess of the statutory limit.

18 4. The amount of additional property tax dollars certified
19 under this subsection shall not be included in the computation
20 of the maximum amount of property tax dollars which may be
21 certified and levied under section 331.423.

22 Sec. 19. Section 331.424B, Code 2001, is amended to read
23 as follows:

24 331.424B CEMETERY LEVY.

25 The board may levy annually a tax on all taxable property
26 in the county not to exceed six and three-fourths cents per
27 thousand dollars of the assessed value of all taxable property
28 in the county to repair and maintain all cemeteries under the
29 jurisdiction of the board including pioneer cemeteries and to
30 pay other expenses of the board or the cemetery commission as
31 provided in section 331.325. The proceeds of the tax levy
32 shall be credited to the county-general cemetery fund.

33 ~~Sections-444-25A-and-444-25B-do-not-apply-to-the-property-tax~~
34 ~~levied-or-expended-for-cemeteries-pursuant-to-section-331-325-~~

35 Sec. 20. Section 331.425, Code 2001, is amended by

1 striking the section and inserting in lieu thereof the
2 following:

3 331.425 COUNTY SUPPLEMENTAL FUND.

4 1. The county supplemental fund is established for the
5 following purposes:

6 a. Accounting for pension and related employee benefits as
7 provided by the department of management.

8 b. Accounting for tort liability insurance, property
9 insurance, and any other insurance that may be necessary in
10 the operation of the county, costs of a self-insurance
11 program, costs of a local government risk pool, and amounts
12 payable under any insurance agreements to provide or procure
13 such insurance, self-insurance program, or local government
14 risk pool.

15 c. Accounting for gifts or grants received by the county
16 for a particular purpose.

17 d. Accounting for money and property received and handled
18 by the county as trustee or custodian or in the capacity of an
19 agent.

20 2. County revenues from taxes and other sources for the
21 purposes described in this section shall be credited to the
22 county supplemental fund.

23 Sec. 21. Section 331.427, subsection 2, paragraph 1, Code
24 2001, is amended to read as follows:

25 1. Services listed in ~~section-331-424,-subsection-1,-and~~
26 section 331.554.

27 Sec. 22. Section 331.428, subsection 2, paragraph d, Code
28 2001, is amended by striking the paragraph.

29 Sec. 23. Section 331.429, subsection 1, Code 2001, is
30 amended by adding the following new paragraph:

31 NEW PARAGRAPH. f. Notwithstanding paragraphs "a" and "b",
32 transfers from the general fund or rural services fund in
33 accordance with this paragraph. The board may transfer
34 additional funds from the general fund or rural services fund
35 in excess of the amounts in paragraphs "a" and "b" if the

1 proposition has been submitted at a special election and
2 received a favorable majority of the votes cast on the
3 proposition. The board shall direct the county commissioner
4 of elections to submit the proposition at an election. The
5 board must give at least thirty-two days' notice to the county
6 commissioner of elections that the special election is to be
7 held. For a transfer from the general fund, registered voters
8 of the county may vote on the proposition. For a transfer
9 from the rural services fund, registered voters of the county
10 residing outside the corporate limits of a city within the
11 county may vote on the proposition. The proposition to be
12 submitted shall be substantially in the following form:

13 "Vote "yes" or "no" on the following question: Shall the
14 county of _____ transfer an additional \$_____ each year for
15 two years beginning July 1, ____, from the (general fund or
16 rural services fund) to the secondary road fund?"

17 Notice of the special election shall be published at least
18 once in a newspaper in the manner provided in section 331.305.
19 Notice of the special election shall appear as early as
20 practicable after the board has voted to submit a proposition
21 to the voters to transfer funds from the general fund or rural
22 services fund to the secondary road fund.

23 If a majority of the votes cast are in favor of the
24 proposition, the board shall certify the results of the
25 election to the department of management and transfer the
26 approved amount to the secondary road fund in the appropriate
27 fiscal year.

28 Sec. 24. Section 331.426, Code 2001, is repealed.

29 Sec. 25. APPLICABILITY DATE. This Act applies to the
30 fiscal year beginning July 1, 2002, and all subsequent fiscal
31 years.

32 EXPLANATION

33 This bill relates to the limitation on property taxes for
34 counties by removing the property tax rate limitations on
35 counties and substituting a limitation on property tax

1 dollars, and by creating a commission to review state and
2 local taxes.

3 The bill creates a commission on state and local taxation.
4 The 13 members of the commission are appointed by the senate
5 majority leader, speaker of the house of representatives, and
6 various associations representing local governments. The bill
7 requires the commission to hold its organizational meeting no
8 later than September 1, 2001. The commission is to be staffed
9 by the legislative service bureau and the legislative fiscal
10 bureau.

11 The bill requires the commission to conduct a review of
12 state and local taxation in Iowa. The commission is to submit
13 a status report on the review of state and local taxation and
14 the commission's other activities by March 15, 2002. A final
15 report is to be submitted to the general assembly by January
16 15, 2006. The commission is to also report annually on the
17 state of local governments in Iowa, state and federal issues
18 that have a potential fiscal impact on local governments, and
19 court decisions having an impact on state and local government
20 revenue and services. All annual reports of the commission
21 are to be filed with the governor, the president of the
22 senate, speaker of the house, and the majority and minority
23 leaders of each house. The reports shall also be made
24 available to other legislators and the public upon request.

25 The commission is repealed July 1, 2006.

26 The bill removes the property tax rate limitations on
27 counties and substitutes a limitation on the maximum amount of
28 property tax dollars which may be certified by a county.

29 The bill requires each county to compute a maximum property
30 tax dollars base based on averages of three fiscal years'
31 worth of tax askings by the county multiplied by a cumulative
32 growth factor, i.e., price index, applied to each of the three
33 years. Adjustments are made for the amount of property tax
34 replacement dollars received for the three years and the
35 amount of local sales and services taxes received for the

1 three years, if applicable. Another adjustment is made for
2 ending fund balance differentials between three specified
3 fiscal years.

4 The bill provides that the entire base year calculation
5 shall be the maximum property tax base for the fiscal year
6 beginning July 1, 2002, as adjusted by the growth factor.
7 Each year, property tax replacement dollars to be received and
8 local sales and services taxes to be received are subtracted
9 from the amount of property taxes for the fiscal year to reach
10 the maximum amount of property taxes authorized to be levied
11 for the fiscal year. "Property tax replacement dollars" is
12 defined to mean revenues received from the machinery and
13 equipment reimbursements to cities and counties, the utility
14 delivery, generation, and transmission taxes, revenues
15 received from gambling if specifically designated for property
16 tax relief, and amounts appropriated by the general assembly
17 as property tax relief.

18 The bill provides that a county that has not levied at its
19 maximum for a year may carry forward the unused taxing
20 authority from year to year in an amount not to exceed 25
21 percent of the maximum dollars available for the year. The
22 bill also provides that taxes from new valuation be added in
23 separately.

24 The bill provides that the ending fund balance for the
25 county general and rural funds shall not exceed 25 percent of
26 the budget for the fiscal year unless the excess is reserved
27 or designated for a specific purpose. Through fiscal year
28 2007-2008, counties may levy unused ending fund balance taxing
29 authority based on the amount of the ending fund balance for
30 fiscal year 2000-2001.

31 The bill allows a county to exceed its maximum tax
32 authority for up to two years at a time if approved by the
33 voters at a special election. The bill also allows the
34 secondary road fund levy limits to be exceeded if approved by
35 the voters at a special election.

1 The bill repeals the supplemental levy for counties and the
2 sections of the Code that currently allow counties to exceed
3 their levy rate limitations. The bill gives counties
4 authority to establish a cemetery fund and to establish
5 supplemental funds for employee benefits, tort liability, and
6 other specified accounting purposes.

7 The bill applies to fiscal years beginning July 1, 2002,
8 and all subsequent fiscal years.

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SENATE FILE 514

S-3284

1 Amend Senate 514 as follows:

- 2 1. Page 15, line 19, by striking the word "sixty-
- 3 nine" and inserting the following: "one hundred ten".
- 4 2. Page 15, line 27, by striking the word "forty-
- 5 eight" and inserting the following: "eighty-nine".
- 6 3. Page 15, line 35, by striking the word
- 7 "twenty-six" and inserting the following: "sixty-
- 8 seven".

By LARRY MCKIBBEN

Adopted 4-17-01
(P.1148)

S-3284 FILED APRIL 2, 2001

SENATE FILE 514

S-3340

1 Amend Senate File 514 as follows:

- 2 1. Page 11, by striking line 32, and inserting
- 3 the following: "paragraph "d"."
- 4 2. Page 12, by striking lines 21 through 31.
- 5 3. By striking page 13, line 33, through page 14,
- 6 line 24, and inserting the following: "sum of the
- 7 amount of property taxes levied for general county
- 8 services and the amount of property tax replacement
- 9 dollars received, the amount of revenues received
- 10 under section 99F.11 that were specifically designated
- 11 for property tax relief, and the amount of local sales
- 12 and services tax revenues received as property tax
- 13 relief and deposited in the general fund, all for the
- 14 fiscal year beginning July 1, 1999, times one and
- 15 sixty-seven thousandths."
- 16 4. Page 15, by striking lines 10 through 35, and
- 17 inserting the following: "the amount of property
- 18 taxes levied for rural county services and the amount
- 19 of property tax replacement dollars received, the
- 20 amount of revenues received under section 99F.11 that
- 21 were specifically designated for property tax relief,
- 22 and the amount of local sales and services tax
- 23 revenues received as property tax relief and deposited
- 24 in the rural services fund, all for the fiscal year
- 25 beginning July 1, 1999, times one and sixty-seven
- 26 thousandths."
- 27 5. By renumbering, redesignating, and correcting
- 28 internal references as necessary.

By PATRICIA HARPER

S,3340 FILED APRIL 11, 2001

Adopt. 4-17-01
(P.1147)

**SENATE FILE 514
FISCAL NOTE**

A fiscal note for **Senate File 514** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 514 establishes a limitation on property taxes for counties by removing rate limitations, and instead places a limitation on property tax dollars that can be certified by a county. A base year computation is made on the averages of three fiscal years of taxes multiplied by a cumulative price index (FY 1998 - FY 2000). Adjustments are made for property tax replacement dollars and local sales and services taxes received for those three years. An additional adjustment is made for ending fund balance differentials between the three years. The base year calculation is then adjusted by an inflation factor and an adjustment for net new valuation taxes to determine a FY 2002 levy authority. For fiscal years beginning with FY 2003, the previous year's levy authority is adjusted by an inflation factor, net new valuation taxes, and property tax replacement dollars. The Bill provides that a county that has not levied at its maximum for a year may carry forward the unused taxing authority from year to year up to 25% of the maximum dollars available for the year. It also states that the ending fund balance for the county general and rural funds cannot exceed 25% of the budget for the fiscal year unless it is reserved or designated for a specific purpose. The Bill does not take effect until FY 2003.

The Department of Management is directed to adopt rules to administer this legislation, and provide forms for the counties to calculate their annual levys.

The Bill also establishes a Commission on State and Local Taxation. The commission would be made up of 13 members and would be staffed by the Legislative Service Bureau and the Legislative Fiscal Bureau. The Commission would be charged to conduct a review of State and local taxation in Iowa, and would submit a status report on this review to the General Assembly by March 15, 2002. Annual reports would deal with the state of local governments in Iowa, State and federal issues having a fiscal impact on local governments, and court decisions having an impact on State and local government revenue and services. A final report is to be submitted to the General Assembly by January 15, 2006. The Commission is repealed July 1, 2006.

ASSUMPTIONS

1. The Department of Management has considered the historical cost of software development related to local government budgeting.
2. There will be additional training needed for local government budget personnel.
3. There are potential changes that are needed in current property valuation

-2-

software.

4. Seven members of the Commission will be legislative members entitled to \$86 per day per diem plus expenses for Commission meetings. Six members of the Commission will not be legislative members and entitled to actual expenses incurred to attend Commission meetings.
5. The Commission will meet at least quarterly.
6. The Legislative Fiscal Bureau and the Legislative Service Bureau would staff this Commission with existing staff.
7. The Legislative Council is required to fund outside consulting services if the Commission deems it necessary.

FISCAL IMPACT

The fiscal impact on local governments varies. Further information on counties who have submitted fiscal information regarding the implementation of this Bill is available from the Legislative Fiscal Bureau.

The additional cost to the General Fund due to software development, additional training, and Commission expenses are as follows:

	Fiscal Year 2002			Fiscal Year 2003		
	Current Law	Proposed Law	Increase (Decrease)	Current Law	Proposed Law	Increase (Decrease)
<u>REVENUE</u>						
General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>						
Commission	\$ 0	\$ 4,000	\$ 4,000	\$ 0	\$ 4,000	\$ 4,000
Software Dev.	58,000	208,000	150,000	58,000	133,000	75,000
Total	\$ 58,000	\$ 212,000	\$ 154,000	\$ 58,000	\$ 137,000	\$ 79,000
NET EFFECT	\$ (58,000)	\$ (212,000)	\$ (154,000)	\$ (58,000)	\$ (137,000)	\$ (79,000)

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SOURCES

Department of Management
 Legislative Fiscal Bureau
 Legislative Service Bureau

(LSB 121657, AM)

FILED APRIL 9, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 514

S-3341

1 Amend Senate File 514 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 25B.2, subsection 3, Code
5 2001, is amended by striking the subsection.

6 Sec. 2. NEW SECTION. 25B.5A UNFUNDED STATE
7 MANDATES -- EFFECT.

8 If, on or after July 1, 2001, a state mandate is
9 enacted by the general assembly, or otherwise imposed,
10 on a political subdivision and the state mandate
11 requires a political subdivision to engage in any new
12 activity, to provide a new service, or to provide any
13 service beyond that required by any law enacted prior
14 to July 1, 2001, and the state does not appropriate
15 moneys to fully fund the cost of the state mandate as
16 identified pursuant to section 25B.5, subsections 1
17 and 2, the political subdivision is not required to
18 perform the activity or provide the service and the
19 political subdivision shall not be subject to any
20 liabilities imposed by the state or the imposition of
21 any fines or penalties for the failure to comply with
22 the state mandate.

23 Sec. 3. NEW SECTION. 28L.1 IOWA COMMISSION ON
24 STATE AND LOCAL TAXATION.

25 1. An Iowa commission on state and local taxation
26 is created which shall consist of fifteen members
27 appointed as follows:

28 a. Four members appointed by the governor, at
29 least one of whom shall be a private citizen and at
30 least one of whom shall be a representative of
31 business and industry.

32 b. Three senators appointed by the majority leader
33 of the senate, one of whom shall be nominated by the
34 minority leader of the senate.

35 c. Three representatives appointed by the speaker
36 of the house, one of whom shall be nominated by the
37 minority leader of the house.

38 d. One member appointed by the Iowa state
39 association of counties.

40 e. One member appointed by the Iowa league of
41 cities.

42 f. One member appointed by the Iowa association of
43 school boards.

44 g. One member appointed by the presidents of the
45 regents universities.

46 h. One member appointed by the Iowa association of
47 community college trustees.

48 2. Members appointed by the governor are subject
49 to senate confirmation. In making all appointments,
50 consideration shall be given to gender, race, or

S-3341

S-3441

Page 2

1 f. If the owner is an individual who leases the
2 tract to a partnership, a partner if the combined
3 partnership interest owned by a designated person as
4 defined in paragraph "a" is equal to at least ~~fifty-~~
5 ~~one~~ fifty percent of the ownership interest of the
6 partnership.

7 Sec. 200. Section 427.1, subsection 19, Code 2001,
8 is amended by adding the following new unnumbered
9 paragraph after unnumbered paragraph 8:

10 NEW UNNUMBERED PARAGRAPH. Pollution-control
11 property used for purposes relating to the care and
12 feeding of livestock as defined in section 169C.1
13 shall be limited to the first two hundred thousand
14 dollars in assessed value per taxpayer, unless an
15 owner of the pollution-control property is any of the
16 following:

17 a. The owner of agricultural land which is
18 eligible for the family farm property tax credit as
19 provided in chapter 425A.

20 b. Actively engaged in farming as defined in
21 section 10.1.

22 c. A networking farmers entity as defined in
23 section 10.1 or a member of a networking farmers
24 entity."

25 4. Page 21, by striking line 29, and inserting
26 the following:

27 "Sec. . APPLICABILITY DATES. Sections 100
28 through 102 of this Act apply to credits applied for
29 on or after July 1, 2001. Section 200 of this Act
30 applies to exemptions first applied for on or after
31 July 1, 2001. The remainder of this Act applies to
32 the".

33 5. By renumbering, redesignating, and correcting
34 internal references as necessary.

By COMMITTEE ON WAY AND MEANS
LARRY MCKIBBEN, Chairperson

S-3441 FILED APRIL 23, 2001

A. Adopted 4/24/01 (P. 1262)

B. Adopted 4/24/01 (P. 1265)

Div B

S-3341

Page 3

1 the legislative service bureau and the legislative
2 fiscal bureau may assign professional, technical,
3 legal, clerical, or other staff, as necessary and
4 authorized by the legislative council for continued
5 operation of the commission. However, technical and
6 operational assistance provided by the bureaus shall
7 be provided within existing appropriations made to or
8 with existing resources of the legislative service
9 bureau and legislative fiscal bureau. The legislative
10 council may also provide to the commission available
11 facilities and equipment as requested by the
12 commission.

13 Sec. 5. NEW SECTION. 28L.3 . REVIEW OF STATE AND
14 LOCAL REVENUE AND SERVICES.

15 1. The commission shall conduct a review of the
16 following:

17 a. Revenue sources available to local governments,
18 including taxes, fees, state appropriations, and
19 federal moneys.

20 b. Revenue sources available to the state,
21 including taxes, fees, and federal moneys, and the
22 portion of state revenues annually appropriated, or
23 otherwise disbursed, to local governments.

24 c. Services provided by local governments,
25 including those provided at the discretion of a local
26 government and those mandated by federal or state
27 statutes and regulations.

28 2. In conducting its review of revenue sources,
29 the commission shall study state and local taxes from
30 the standpoint of equity, neutrality, competitiveness,
31 simplicity, and stability.

32 3. The commission shall hold public hearings to
33 allow persons and organizations to be heard.

34 4. The commission shall submit a report to the
35 general assembly on the status of the review no later
36 than March 15, 2002. The status report shall
37 summarize the commission's activities to date and may
38 include such other information that the commission
39 deems relevant and necessary.

40 5. a. The commission shall submit a final report
41 to the general assembly no later than January 15,
42 2003.

43 b. The final report shall include the following:

44 (1) A statement of goals that the commission
45 believes are necessary to achieve principles of
46 taxation agreed upon by the committee.

47 (2) Any strategies formulated by the commission
48 that consist of recommended methods of state and local
49 taxation, specific structural changes, and any
50 modifications to the current system of state and local

S-3341

S-3341

Page 4

1 taxation.

2 (3) Such other information that the commission
3 deems relevant and necessary.

4 6. This section shall not be construed to preclude
5 the enactment of legislation that eliminates or
6 reduces any state or local government tax during the
7 period the Iowa commission on state and local taxation
8 is conducting the review required by this section.

9 Sec. 6. NEW SECTION. 28L.4 DUTIES OF THE
10 COMMISSION.

11 The commission shall:

12 1. Conduct the review as required in section
13 28L.3.

14 2. Monitor legislative or administrative action on
15 recommendations in the report required in section
16 28L.3.

17 3. Annually report on the state of local
18 governments in Iowa.

19 4. Annually report on state and federal issues
20 relating to local government that have a potential
21 fiscal impact on local governments.

22 5. Annually report on court decisions having an
23 impact on state and local government revenue or
24 services.

25 6. The reports in subsections 3, 4, and 5 shall be
26 filed with the governor, president of the senate,
27 speaker of the house, and the majority and minority
28 leaders of each house, and shall be made available to
29 legislators and the public upon request. The reports
30 must be submitted no later than January 15 of each
31 year.

32 Sec. 7. NEW SECTION. 28L.5 INFORMATION.

33 The commission may request from any state agency or
34 official the information and assistance as needed to
35 perform the duties of the commission. A state agency
36 or official shall furnish the information or
37 assistance requested within the authority and
38 resources of the state agency or official. This
39 section does not require the production or opening of
40 any public record which is required by law to be kept
41 confidential.

42 Sec. 8. NEW SECTION. 28L.6 FUTURE REPEAL.

43 This chapter is repealed effective July 1, 2006.

44 Sec. 9. NEW SECTION. 331.404 COUNTY FINANCIAL
45 MANAGEMENT PLAN.

46 Each county shall prepare a financial management
47 plan for the county for use in budget planning. The
48 financial management plan shall contain a set of
49 financial policies for use by counties in budget
50 planning. The county financial management plan shall

S-3341

-4-

S-3341

Page 5

1 be prepared in a manner which will assist counties in
2 identifying budgeting goals, fiscal and service
3 planning strategies, and revenue targets. County
4 financial management planning shall be completed on
5 forms prepared by the department of management and
6 approved by the county finance committee in
7 consultation with the Iowa state association of county
8 supervisors, the Iowa state association of county
9 auditors, and the public.

10 Copies of the financial management plan for a
11 county shall be maintained as a public record at the
12 county auditor's office and shall be filed with the
13 state appeal board in the same manner and at the same
14 time that certified budgets are filed under section
15 24.17.

16 Sec. 10. NEW SECTION. 331.423A ENDING FUND
17 BALANCE.

18 Effective for a fiscal year beginning on or after
19 July 1, 2007, budgeted ending fund balances shall not
20 exceed twenty-five percent of actual expenditures in
21 the previous fiscal year for either the general fund
22 or the rural services fund. An ending fund balance
23 does not include funds reserved or designated for a
24 specific purpose and specifically described in the
25 certified budget.

26 Sec. 11. Section 331.441, subsection 2, Code 2001,
27 is amended by adding the following new paragraph:

28 NEW PARAGRAPH. d. "Rural general obligation bond"
29 means a negotiable bond issued by a county and payable
30 from the levy of ad valorem taxes on all taxable
31 property located outside the incorporated areas of the
32 county through its debt service fund which is required
33 to be established by section 331.430.

34 Sec. 12. NEW SECTION. 331.450 RURAL DEBT
35 SERVICE.

36 The county board of supervisors may direct the
37 county auditor to establish a rural debt service tax
38 district for the purpose of issuing general obligation
39 bonds for rural county services. The rural debt
40 service tax district shall include only unincorporated
41 portions of the county. The county's debt service tax
42 levy for the rural general obligation bonds shall be
43 levied only against taxable property within the county
44 which is included within the boundaries of the rural
45 debt service tax district. The board may issue rural
46 general obligation bonds for general county purposes
47 and essential county purposes if such stated purpose
48 is primarily intended to benefit those persons
49 residing in the county outside of incorporated city
50 areas. Rural general obligation bonds for the

S-3341

-5-

S-3341

Page 6

1 purposes described in this section are subject to an
 2 election held in the manner provided in section
 3 331.442, subsections 1 through 4, except that only
 4 those registered voters residing within the rural
 5 service area tax district may vote on the proposition.

6 Sec. 13. NEW SECTION. 331.451 LOANS TO CITIES.

7 A county may enter into a 28E agreement with one or
 8 more cities to finance in whole or in part one or more
 9 projects meeting the definition of a city essential
 10 corporate purpose or city general corporate purpose.
 11 The agreement may provide for issuance of general
 12 obligation bonds by the county the proceeds from which
 13 will be loaned to the city to finance such a city
 14 project. The county may require that the repayment
 15 obligation of a city be secured as the county deems
 16 appropriate. The repayment obligation may be
 17 evidenced by one or more notes of a borrowing city.
 18 The loan agreements may contain terms and conditions
 19 the county deems advisable.

20 The county may provide in the resolution
 21 authorizing the issuance of bonds that the principal
 22 and interest on the bonds are payable exclusively from
 23 any of the following:

24 1. The income and receipts or other money derived
 25 from the project financed with the proceeds of the
 26 bonds.

27 2. The income and receipts or other money derived
 28 from designated projects whether or not the projects
 29 are financed in whole or in part with the proceeds of
 30 the bonds or notes.

31 3. A debt service property tax levy imposed by the
 32 city on the taxable property in the city.

33 4. Tax incremental revenues if the project is
 34 located in an urban renewal area. The county may
 35 require that a city create an urban renewal area to
 36 collect incremental tax revenues to secure the loan.

37 Bonds proposed to be issued under this section are
 38 subject to an election held in the manner provided in
 39 section 331.442, subsections 1 through 4."

40 2. Title page, by striking lines 1 and 2, and
 41 inserting the following: "An Act relating to local
 42 government fiscal reform and providing authority for
 43 bonding."

By PATRICIA HARPER
 MAGGIE TINSMAN
 JOHNIE HAMMOND
 PATRICK J. DELUHERY
 KEN VEENSTRA
 O. GENE MADDOX

BETTY A. SOUKUP
 MARY A. LUNDBY
 DERRYL McLAREN
 JOE BOLKCOM
 JOHN W. JENSEN
 MICHAEL E. GRONSTAL

S-3341 FILED APRIL 11, 2001
 LOST, MOTION TO RECONSIDER FILED

p.1085

w/d 4-12-01 (p.1105)

SENATE FILE 514

S-3342

1 Amend Senate File 514 as follows:

2 1. Page 21, by inserting after line 27, the
3 following:

4 "Sec. 100. Section 403.5, subsection 2, unnumbered
5 paragraph 2, Code 2001, is amended to read as follows:

6 Prior to its approval of an urban renewal plan
7 which provides for a division of revenue pursuant to
8 section 403.19, the municipality shall mail the
9 proposed plan by regular mail to the affected taxing
10 entities. The municipality shall include with the
11 proposed plan notification of a consultation to be
12 held between the municipality and affected taxing
13 entities prior to the public hearing on the urban
14 renewal plan. Each affected taxing entity may appoint
15 a representative to attend the consultation. The
16 consultation may include a discussion of the estimated
17 growth in valuation of taxable property included in
18 the proposed urban renewal area, the fiscal impact of
19 the division of revenue on the affected taxing
20 entities, the estimated impact on the provision of
21 services by each of the affected taxing entities in
22 the proposed urban renewal area, and the duration of
23 any bond issuance included in the plan. The
24 designated representative of the affected taxing
25 entity may make written recommendations for
26 modification to the proposed division of revenue no
27 later than seven days following the date of the
28 consultation. The representative of the municipality
29 shall, no later than seven days prior to the public
30 hearing on the urban renewal plan, submit a written
31 response to the affected taxing entity addressing the
32 recommendations for modification to the proposed
33 division of revenue. The municipality shall not
34 proceed with approval of the urban renewal plan unless
35 each affected taxing entity that attended the
36 consultation, by resolution, approves the urban
37 renewal plan."

38 2. Page 21, by striking line 29, and inserting
39 the following:

40 "Sec. ____ . APPLICABILITY DATES. Section 100 of
41 this Act applies to urban renewal plans submitted for
42 consultation on or after July 1, 2001. The remainder
43 of this Act applies to the".

44 3. Title page, by striking lines 1 and 2, and
45 inserting the following: "An Act relating to local
46 property tax by imposing a maximum property tax
47 dollars limitation for counties and by requiring
48 approval by affected taxing entities of an urban
49 renewal plan and providing for the Act's
50 applicability."

S-3342

S-3342

Page 2

1 4. By renumbering as necessary.

By O. GENE MADDOX

S-3342 FILED APRIL 11, 2001

O/O 4/17/01 (P.1148)

SENATE FILE 514

S-3343

1 Amend Senate File 514 as follows:

2 1. Page 1, by striking line 2, and inserting the
3 following: "2001, is amended to read as follows:

4 h. The performance of an activity listed in
5 section 331.424, Code 2001, as a service for which a
6 supplemental levy may was allowed to be certified."

By LARRY MCKIBBEN

S-3343 FILED APRIL 11, 2001

ADOPTED

(P.1085)

*Motion to R/c
4-12-01 (P.1116)*

Motion to R/c withdrawn 4-17-01

SENATE FILE 514

S-3353

1 Amend Senate File 514 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. REAFFIRMATION OF LOCAL GOVERNMENT HOME
5 RULE. The general assembly declares and reaffirms
6 that counties and cities have been granted home rule
7 power and authority by the Constitution of the State
8 of Iowa to determine their local affairs and
9 government, to the extent such authority is not
10 inconsistent with the laws of the general assembly."

By JOHNIE HAMMOND

S-3353 FILED APRIL 12, 2001

O/O 4-17-01 (P.1146)

SENATE FILE 514

S-3344

1 Amend Senate File 514 as follows:

2 1. Page 21, by inserting after line 27, the
3 following:

4 "Sec. ____ Section 427.1, subsection 19,
5 unnumbered paragraph 8, Code 2001, is amended to read
6 as follows:

7 For the purposes of this subsection "pollution-
8 control property" means personal property or
9 improvements to real property, or any portion thereof,
10 used primarily to control or abate pollution of any
11 air or water of this state or used primarily to
12 enhance the quality of any air or water of this state
13 and "recycling property" means personal property or
14 improvements to real property or any portion of the
15 property, used primarily in the manufacturing process
16 and resulting directly in the conversion of waste
17 plastic, wastepaper products, or waste paperboard,
18 into new raw materials or products composed primarily
19 of recycled material. In the event such property
20 shall also serve other purposes or uses of productive
21 benefit to the owner of the property, only such
22 portion of the assessed valuation thereof as may
23 reasonably be calculated to be necessary for and
24 devoted to the control or abatement of pollution, to
25 the enhancement of the quality of the air or water of
26 this state, or for recycling shall be exempt from
27 taxation under this subsection. "Pollution-control
28 property" and "recycling property" do not include
29 property used for purposes related to the care and
30 feeding of livestock as defined in section 169C.1,
31 except for property which is eligible for a family
32 farm tax credit as provided in chapter 425A.

33 The exemption calculated for pollution control or
34 recycling property used for purposes related to the
35 care and feeding of livestock as defined in section
36 169C.1, and which is eligible for a family farm tax
37 credit as provided in chapter 425A, is limited to the
38 first one hundred thousand dollars in assessed value."

39 2. Title page, by striking lines 1 and 2, and
40 inserting the following: "An Act relating to property
41 tax by enacting a tax credit for certain pollution
42 control and recycling property and by imposing a
43 maximum property tax dollars limitation for counties
44 and providing for the Act's applicability."

45 3. By renumbering as necessary.

By JOHN P. KIBBIE

S-3344 FILED APRIL 11, 2001

W/D
4-17-01
(P. 1148)

SENATE FILE 514

S-3345

1 Amend Senate File 514 as follows:
2 1. Page 13, line 6, by inserting after the figure
3 "3." the following: "Property taxes certified as a
4 result of property tax revenues being decreased by the
5 allowing of a pollution-control and recycling property
6 tax exemption for property used for the care and
7 funding of livestock shall not be counted against the
8 maximum amount of property tax dollars that may be
9 certified for the fiscal year under subsection 3. For
10 purposes of this subsection and section 427.1,
11 subsection 19, "pollution-control property" and
12 "recycling property" do not include property used for
13 purposes related to the care and feeding of livestock
14 as defined in section 169C.1, except for property
15 which is eligible for a family farm tax credit as
16 provided in chapter 425A. The exemption calculated
17 for pollution control or recycling property used for
18 purposes related to the care and feeding of livestock
19 as defined in section 169C.1, and which is eligible
20 for a family farm tax credit as provided in chapter
21 425A, is limited to the first one hundred thousand
22 dollars in assessed value."

By MERLIN E. BARTZ

S-3345 FILED APRIL 11, 2001

0/0 4-17-01 (P. 1148)

SENATE FILE 514

S-3346

1 Amend Senate File 514 as follows:
2 1. Page 1, by inserting before line 3 the
3 following:
4 "Sec. _____. Section 25B.2, subsection 3, Code 2001,
5 is amended by striking the subsection.
6 Sec. _____. NEW SECTION. 25B.5A UNFUNDED STATE
7 MANDATES -- EFFECT.
8 If, on or after July 1, 2001, a state mandate is
9 enacted by the general assembly, or otherwise imposed,
10 on a political subdivision and the state mandate
11 requires a political subdivision to engage in any new
12 activity, to provide a new service, or to provide any
13 service beyond that required by any law enacted prior
14 to July 1, 2001, and the state does not appropriate
15 moneys to fully fund the cost of the state mandate as
16 identified pursuant to section 25B.5, subsections 1
17 and 2, the political subdivision is not required to
18 perform the activity or provide the service and the
19 political subdivision shall not be subject to any
20 liabilities imposed by the state or the imposition of
21 any fines or penalties for the failure to comply with
22 the state mandate."
23 2. By renumbering as necessary.

By KITTY REHBERG

W/R 4/17/01 (P. 1147)

S-3346 FILED APRIL 11, 2001

SENATE FILE 514**S-3360**

1 Amend Senate File 514 as follows:

2 1. Page 1, by inserting before line 3 the
3 following:

4 "Sec. _____. Section 25B.2, subsection 3, Code 2001,
5 is amended by striking the subsection.

6 Sec. _____. NEW SECTION. 25B.5A UNFUNDED STATE
7 MANDATES -- EFFECT.

8 If, on or after July 1, 2001, a state mandate is
9 enacted by the general assembly, or otherwise imposed,
10 on a political subdivision and the state mandate
11 requires a political subdivision to engage in any new
12 activity, to provide a new service, or to provide any
13 service beyond that required by any law enacted prior
14 to July 1, 2001, and the state does not appropriate
15 moneys to fully fund the cost of the state mandate as
16 identified pursuant to section 25B.5, subsections 1
17 and 2, the political subdivision is not required to
18 perform the activity or provide the service and the
19 political subdivision shall not be subject to any
20 liabilities imposed by the state or the imposition of
21 any fines or penalties for the failure to comply with
22 the state mandate."

23 2. By striking page 5, line 22, through page 21,
24 line 31, and inserting the following:

25 "Sec. _____. NEW SECTION. 331.404 COUNTY FINANCIAL
26 MANAGEMENT PLAN.

27 Each county shall prepare a financial management
28 plan for the county for use in budget planning. The
29 financial management plan shall contain a set of
30 financial policies for use by counties in budget
31 planning. The county financial management plan shall
32 be prepared in a manner which will assist counties in
33 identifying budgeting goals, fiscal and service
34 planning strategies, and revenue targets. County
35 financial management planning shall be completed on
36 forms prepared by the department of management and
37 approved by the county finance committee in
38 consultation with the Iowa state association of county
39 supervisors, the Iowa state association of county
40 auditors, and the public.

41 Copies of the financial management plan for a
42 county shall be maintained as a public record at the
43 county auditor's office and shall be filed with the
44 state appeal board in the same manner and at the same
45 time that certified budgets are filed under section
46 24.17.

47 Sec. _____. NEW SECTION. 331.423A ENDING FUND
48 BALANCE.

49 Effective for a fiscal year beginning on or after
50 July 1, 2005, budgeted ending fund balances shall not

S-3360

S-3360

Page 2

1 exceed twenty-five percent of actual expenditures in
2 the previous fiscal year for either the general fund
3 or the rural services fund. An ending fund balance
4 does not include funds reserved or designated for a
5 specific purpose and specifically described in the
6 certified budget.

7 Sec. ____ Section 331.441, subsection 2, Code
8 2001, is amended by adding the following new
9 paragraph:

10 NEW PARAGRAPH. d. "Rural general obligation bond"
11 means a negotiable bond issued by a county and payable
12 from the levy of ad valorem taxes on all taxable
13 property located outside the incorporated areas of the
14 county through its debt service fund which is required
15 to be established by section 331.430.

16 Sec. ____ NEW SECTION. 331.450 RURAL DEBT
17 SERVICE.

18 The county board of supervisors may direct the
19 county auditor to establish a rural debt service tax
20 district for the purpose of issuing general obligation
21 bonds for rural county services. The rural debt
22 service tax district shall include only unincorporated
23 portions of the county. The county's debt service tax
24 levy for the rural general obligation bonds shall be
25 levied only against taxable property within the county
26 which is included within the boundaries of the rural
27 debt service tax district. The board may issue rural
28 general obligation bonds for general county purposes
29 and essential county purposes if such stated purpose
30 is primarily intended to benefit those persons
31 residing in the county outside of incorporated city
32 areas. Rural general obligation bonds for the
33 purposes described in this section are subject to an
34 election held in the manner provided in section
35 331.442, subsections 1 through 4, except that only
36 those registered voters residing within the rural
37 service area tax district may vote on the proposition.

38 Sec. ____ NEW SECTION. 331.451 LOANS TO CITIES.

39 A county may enter into a 28E agreement with one or
40 more cities to finance in whole or in part one or more
41 projects meeting the definition of a city essential
42 corporate purpose or city general corporate purpose.
43 The agreement may provide for issuance of general
44 obligation bonds by the county the proceeds from which
45 will be loaned to the city to finance such a city
46 project. The county may require that the repayment
47 obligation of a city be secured as the county deems
48 appropriate. The repayment obligation may be
49 evidenced by one or more notes of a borrowing city.
50 The loan agreements may contain terms and conditions

S-3360

S-3360

Page 3

1 the county deems advisable.
2 The county may provide in the resolution
3 authorizing the issuance of bonds that the principal
4 and interest on the bonds are payable exclusively from
5 any of the following:
6 1. The income and receipts or other money derived
7 from the project financed with the proceeds of the
8 bonds.
9 2. The income and receipts or other money derived
10 from designated projects whether or not the projects
11 are financed in whole or in part with the proceeds of
12 the bonds or notes.
13 3. A debt service property tax levy imposed by the
14 city on the taxable property in the city.
15 4. Tax incremental revenues if the project is
16 located in an urban renewal area. The county may
17 require that a city create an urban renewal area to
18 collect incremental tax revenues to secure the loan.
19 Bonds proposed to be issued under this section are
20 subject to an election held in the manner provided in
21 section 331.442, subsections 1 through 4."
22 3. Title page, by striking lines 1 and 2, and
23 inserting the following: "An Act relating to local
24 government fiscal reform and providing authority for
25 bonding."

By PATRICIA HARPER
JOHNIE HAMMOND

S-3360 FILED APRIL 17, 2001

LOST

(R 1147)

SENATE FILE 514**S-3368**

1 Amend Senate File 514 as follows:
2 1. Page 16, line 23, by striking the word "cash"
3 and inserting the following: "generally accepted
4 accounting principles".
5 2. Page 17, line 13, by striking the word "cash"
6 and inserting the following: "generally accepted
7 accounting principles".

By THOMAS FIEGEN

S-3368 FILED APRIL 17, 2001

LOST

(R 1148)

SENATE FILE 514

S-3369

1 Amend Senate File 514 as follows:

2 1. Page 1, by striking lines 1 and 2.

3 2. By striking page 5, line 22, through page 21,
4 line 28, and inserting the following:

5 "Sec. ____ . NEW SECTION. 331.440B COUNTY LEVIES,
6 FUNDS, BUDGETS, AND EXPENDITURES.

7 For the fiscal year beginning July 1, 2002, this
8 section and sections 331.440C through 331.440I shall
9 apply to counties that, as of June 30, 2001, have less
10 than a triple A bond rating.

11 Sections 331.421, 331.423, 331.424C through
12 331.426, do not apply to this part. References in the
13 Code of Iowa to these sections do not apply to
14 counties described in this section.

15 Sec. ____ . NEW SECTION. 331.440C DEFINITIONS.

16 As used in this part, unless the context otherwise
17 requires:

18 1. "Committee" means the county finance committee
19 established in chapter 333A.

20 2. "Debt service" means expenditures for servicing
21 the county's debt.

22 3. "Debt service levy" means a levy authorized and
23 limited by section 331.422, subsection 3.

24 4. "Emergency services levy" means a levy
25 authorized and limited by section 331.424C.

26 5. "Fiscal year" means the period of twelve months
27 beginning July 1 and ending on the following June 30.

28 6. "General county services" means the services
29 which are primarily intended to benefit all residents
30 of a county, including secondary road services, but
31 excluding services financed by other statutory funds.

32 7. "Item" means a budgeted expenditure,
33 appropriation, or cash reserve from a fund for a
34 service area, program, program element, or purpose.

35 8. "Rural county services" means the services
36 which are primarily intended to benefit those persons
37 residing in the county outside of incorporated city
38 areas, including secondary road services, but
39 excluding services financed by other statutory funds.

40 9. "Secondary road services" means the services
41 related to secondary road construction and
42 maintenance, excluding debt service and services
43 financed by other statutory funds.

44 Sec. ____ . NEW SECTION. 331.440D PROPERTY TAX
45 DOLLARS -- MAXIMUMS.

46 1. Annually, the board shall determine separate
47 property tax levy limits to pay for general county
48 services and rural county services in accordance with
49 this section. The property tax levies separately
50 certified for general county services and rural county

S-3369

-1-

S-3369

Page 2

1 services in accordance with section 331.434 shall not
2 exceed the amount determined under this section.

3 2. For purposes of this section and section
4 331.440E:

5 a. "Annual price index" means the change, computed
6 to four decimal places, between the preliminary price
7 index for the third quarter of the calendar year
8 preceding the calendar year in which the fiscal year
9 starts and the revised price index for the third
10 quarter of the previous calendar year as published in
11 the same issue in which such preliminary price index
12 is first published. The price index used shall be the
13 state and local government chain-type price index used
14 in the quantity and price indexes for gross domestic
15 product as published by the United States department
16 of commerce. The annual price index shall not be less
17 than zero and shall not exceed four hundredths. The
18 change shall then be added to one to create a
19 multiplier for the annual price index.

20 b. "Boundary adjustment" means annexation,
21 severance, incorporation, or discontinuance as those
22 terms are defined in section 368.1.

23 c. "Budget year" is the fiscal year beginning
24 during the calendar year in which a budget is first
25 certified.

26 d. "Current fiscal year" is the fiscal year ending
27 during the calendar year in which a budget is first
28 certified.

29 e. "Local sales and services taxes" means local
30 sales and services taxes imposed under the authority
31 of chapter 422B.

32 f. "Net new valuation taxes" means the amount of
33 property tax dollars equal to the tentative maximum
34 general rate for purposes of the general fund, or the
35 tentative maximum rural rate for purposes of the rural
36 services fund, times the increase from the previous
37 fiscal year in taxable valuation due to the following:

38 (1) Net new construction.

39 (2) Additions or improvements to existing
40 structures.

41 (3) Remodeling of existing structures for which a
42 building permit is required.

43 (4) Net boundary adjustment.

44 (5) A municipality no longer dividing tax revenues
45 in an urban renewal area as provided in section
46 403.19, to the extent that the incremental valuation
47 released is due to new construction or revaluation on
48 property newly constructed after the division of
49 revenue begins.

50 (6) That portion of taxable property located in an

S-3369

S-3369

Page 3

1 urban revitalization area on which an exemption was
2 allowed and such exemption has expired.

3 g. "Property tax replacement dollars" means
4 revenues received under sections 427B.17 through
5 427B.19D, revenues received under chapter 437A,
6 subchapter II, and amounts appropriated by the general
7 assembly for property tax relief first enacted for
8 fiscal years beginning on or after July 1, 2001.

9 h. "Tentative maximum general rate" means the
10 amount calculated in subsection 3, paragraph "b",
11 subparagraph (1), divided by the net taxable valuation
12 in the county. For purposes of this paragraph, "net
13 taxable valuation" is the amount of taxable valuation
14 in the county minus the amount of taxable valuation
15 used to calculate net new valuation taxes.

16 i. "Tentative maximum rural rate" means the amount
17 calculated in subsection 3, paragraph "c",
18 subparagraph (1), divided by the net taxable valuation
19 in the unincorporated area of the county. For
20 purposes of this paragraph, "net taxable valuation" is
21 the amount of taxable valuation in the unincorporated
22 area of the county minus the amount of taxable
23 valuation in the unincorporated area of the county
24 used to calculate net new valuation taxes.

25 j. "Unused taxing authority" means the maximum
26 amount of property tax dollars calculated under
27 subsection 3 for a fiscal year minus the amount
28 actually levied under this section in that fiscal
29 year. Unused taxing authority may be carried forward
30 to the following fiscal year. However, the amount of
31 unused taxing authority which may be carried forward
32 shall not exceed twenty-five percent of the maximum
33 amount of property tax dollars available in the
34 current fiscal year.

35 3. a. Effective for the fiscal year beginning
36 July 1, 2002, the maximum amount of property tax
37 dollars levied which may be certified by a county for
38 general county services and rural county services
39 shall be the tentative maximum property tax dollars
40 calculated under paragraphs "b" and "c", respectively,
41 and adjusted by the amounts in paragraphs "d", "e",
42 and "f".

43 b. The tentative maximum property tax dollars for
44 general county services is an amount equal to the sum
45 of the following:

46 (1) The current fiscal year's tentative maximum
47 property tax dollars for general county services minus
48 the unused taxing authority carried forward from the
49 previous fiscal year times the annual price index.

50 (2) The amount of net new valuation taxes.

S-3369

-3-

S-3369

Page 4

1 (3) The amount of unused taxing authority carried
2 forward from the previous fiscal year.

3 c. The tentative maximum property tax dollars for
4 rural county services is an amount equal to the sum of
5 the following:

6 (1) The current fiscal year's tentative maximum
7 property tax dollars for rural county services minus
8 the unused taxing authority carried forward from the
9 previous fiscal year times the annual price index.

10 (2) The amount of net new valuation taxes.

11 (3) The amount of unused taxing authority carried
12 forward from the previous fiscal year.

13 d. Subtract the amount of property tax replacement
14 dollars to be received for the budget year that will
15 be deposited in the general fund or the rural services
16 fund, as applicable.

17 e. Subtract the amount of local sales and services
18 taxes for property tax relief estimated by the
19 department of revenue and finance to be received for
20 the budget year that will be deposited in the general
21 fund or the rural services fund, as applicable.

22 f. Subtract the amount of local sales and services
23 taxes received for property tax relief in the previous
24 fiscal year for the county general fund and rural
25 services fund, and add the amount of local sales and
26 services taxes that was budgeted for property tax
27 relief for each of those funds in that fiscal year.

28 3A. Property taxes certified for deposit in the
29 mental health, mental retardation, and developmental
30 disabilities services fund in section 331.424A, the
31 cemetery fund in section 331.440H, the county
32 supplemental funds in section 331.440I, and the debt
33 service fund in section 331.430, any capital projects
34 fund established by the county for deposit of bond,
35 loan, or note proceeds, and any temporary increase
36 approved pursuant to section 331.424 are not counted
37 against the maximum amount of property tax dollars
38 that may be certified for a fiscal year under
39 subsection 3.

40 4. The department of management shall adopt rules
41 to administer this section and section 331.423A after
42 consultation with the county finance committee.

43 Sec. ____ . NEW SECTION. 331.440E BASE YEAR
44 PROPERTY TAX DOLLARS.

45 1. For purposes of calculating maximum property
46 tax dollars under section 331.423, the tentative
47 maximum property tax dollars for the fiscal year
48 beginning July 1, 2000, for general county services
49 shall be calculated as provided in this subsection.

50 a. The tentative maximum amount of property tax

S-3369

S-3369

Page 5

1 dollars for general county services for taxes payable
2 in the fiscal year beginning July 1, 2000, shall be an
3 amount equal to the sum of the following, divided by
4 three, and adjusted by the amounts in paragraph "b":

5 (1) The sum of the amount of property taxes levied
6 for general county services and the amount of property
7 tax replacement dollars received and the amount of
8 local sales and services tax revenues received as
9 property tax relief and deposited in the general fund,
10 all for the fiscal year beginning July 1, 1997, times
11 one and one hundred ten thousandths.

12 (2) The sum of the amount of property taxes levied
13 for general county services and the amount of property
14 tax replacement dollars received and the amount of
15 local sales and services tax revenues received as
16 property tax relief and deposited in the general fund,
17 all for the fiscal year beginning July 1, 1998, times
18 one and eighty-nine thousandths.

19 (3) The sum of the amount of property taxes levied
20 for general county services and the amount of property
21 tax replacement dollars received and the amount of
22 local sales and services tax revenues received as
23 property tax relief and deposited in the general fund,
24 all for the fiscal year beginning July 1, 1999, times
25 one and sixty-seven thousandths.

26 b. The amount computed under the formula in
27 paragraph "a" shall be adjusted by subtracting the
28 amount of the ending fund balance differential for
29 general county services as provided in this paragraph.
30 The ending fund balance differential for general
31 county services is the difference between the general
32 fund's ending balance for the fiscal year beginning
33 July 1, 1999, and the general fund's ending balance
34 for the fiscal year beginning July 1, 1996, divided by
35 three.

36 2. For purposes of calculating maximum property
37 tax dollars under section 331.423, the tentative
38 maximum property tax dollars for the fiscal year
39 beginning July 1, 2000, for rural county services
40 shall be calculated as provided in this subsection.

41 a. The tentative maximum amount of property tax
42 dollars for rural county services for taxes payable in
43 the fiscal year beginning July 1, 2000, shall be an
44 amount equal to the sum of the following, divided by
45 three, and adjusted by the amounts in paragraph "b":

46 (1) The sum of the amount of property taxes levied
47 for rural county services and the amount of property
48 tax replacement dollars received and the amount of
49 local sales and services tax revenues received as
50 property tax relief and deposited in the rural

S-3369

-5-

S-3369

Page 6

1 services fund, all for the fiscal year beginning July
2 1, 1997, times one and one hundred ten thousandths.
3 (2) The sum of the amount of property taxes levied
4 for rural county services and the amount of property
5 tax replacement dollars received and the amount of
6 local sales and services tax revenues received as
7 property tax relief and deposited in the rural
8 services fund, all for the fiscal year beginning July
9 1, 1998, times one and eighty-nine thousandths.
10 (3) The sum of the amount of property taxes levied
11 for rural county services and the amount of property
12 tax replacement dollars received and the amount of
13 local sales and services tax revenues received as
14 property tax relief and deposited in the rural
15 services fund, all for the fiscal year beginning July
16 1, 1999, times one and sixty-seven thousandths.
17 b. The amount computed under the formula in
18 paragraph "a" shall be adjusted by subtracting the
19 amount of the ending fund balance differential for
20 rural county services as provided in this paragraph.
21 The ending fund balance differential for rural county
22 services is the difference between the rural services
23 fund's ending balance for the fiscal year beginning
24 July 1, 1999, and the rural services fund's ending
25 balance for the fiscal year beginning July 1, 1996,
26 divided by three.
27 3. a. The tentative maximum amount of property
28 tax dollars for general county services for taxes
29 payable in the fiscal year beginning July 1, 2001, is
30 an amount equal to the amount computed in subsection 1
31 times the annual price index plus the amount of net
32 new valuation taxes.
33 b. The tentative maximum amount of property tax
34 dollars for rural county services for taxes payable in
35 the fiscal year beginning July 1, 2001, is an amount
36 equal to the amount computed in subsection 2 times the
37 annual price index plus the amount of net new
38 valuation taxes.
39 4. Each county shall calculate its tentative
40 maximum property tax dollars under this section on
41 forms prescribed by the department of management.
42 Sec. _____. NEW SECTION. 331.440F ENDING FUND
43 BALANCE.
44 1. Budgeted ending fund balances for a fiscal year
45 in excess of twenty-five percent of budgeted
46 expenditures in either the general services fund or
47 rural county services fund for that fiscal year shall
48 be explicitly reserved or designated for a specific
49 purpose and specifically described in the certified
50 budget. The description shall include the projected

S-3369

-6-

S-3369

Page 7

1 date that the expenditures will be appropriated for
2 the specific purpose. In a protest to the county
3 budget under section 331.436, the county shall have
4 the burden of proving that the budgeted balances in
5 excess of twenty-five percent are reasonably likely to
6 be appropriated for the explicitly reserved or
7 designated specific purpose by the date identified in
8 the certified budget. The excess budgeted balance for
9 the specific purpose shall be considered an increase
10 in an item in the budget for purposes of section
11 24.28.

12 2. For the fiscal year beginning July 1, 2002, a
13 county may levy additional property taxes pursuant to
14 this subsection. The amount of the additional
15 property taxes which may be levied is equal to the
16 amount by which twenty-five percent of combined actual
17 expenditures for general county services and rural
18 county services in the fiscal year beginning July 1,
19 2000, exceeded the combined actual ending fund
20 balances for the general fund and the rural county
21 services fund in that fiscal year. The amount of the
22 additional property taxes shall be divided between the
23 general fund and the rural services fund in proportion
24 to the amount of actual expenditures for general
25 county services to total actual expenditures for
26 general and rural county services for the fiscal year
27 beginning July 1, 2000, and in proportion to the
28 amount of actual expenditures for rural county
29 services to total actual expenditures for general and
30 rural county services for the fiscal year beginning
31 July 1, 2000. However, the amount apportioned for
32 general county services and for rural county services
33 shall not exceed for each fund twenty-five percent of
34 actual expenditures for the fiscal year beginning July
35 1, 2000. All or a portion of the additional property
36 tax dollars may be levied for the purpose of
37 increasing cash reserves for general county services
38 and rural county services in the budget year. The
39 balance of the increase may be carried forward as
40 unused ending fund balance taxing authority until and
41 for the fiscal year beginning July 1, 2004. The
42 amount carried forward, when combined with unused
43 taxing authority shall not exceed twenty-five percent
44 of the maximum amount of property tax dollars
45 available in the current fiscal year. Additionally,
46 property taxes that are levied as unused taxing
47 authority under this subsection may be the subject of
48 a protest under section 331.436 and the amount will be
49 considered an increase in an item in the budget for
50 purposes of section 24.28. The amount of additional

S-3369

-7-

S-3369

Page 8

1 property taxes levied under this subsection shall not
2 be included in the computation of the maximum amount
3 of property tax dollars which may be certified and
4 levied under section 331.423.

5 Sec. ____ . NEW SECTION. 331.440G AUTHORITY TO
6 LEVY BEYOND MAXIMUM PROPERTY TAX DOLLARS.

7 1. The board may certify additions to the maximum
8 amount of property tax dollars to be levied for a
9 period of time not to exceed two years if the
10 proposition has been submitted at a special election
11 and received a favorable majority of the votes cast on
12 the proposition.

13 2. The special election is subject to the
14 following:

15 a. The board must give at least thirty-two days'
16 notice to the county commissioner of elections that
17 the special election is to be held.

18 b. The special election shall be conducted by the
19 county commissioner of elections in accordance with
20 law.

21 c. The proposition to be submitted shall be
22 substantially in the following form:

23 "Vote "yes" or "no" on the following:

24 Shall the county of _____ levy for an additional
25 \$ _____ each year for _____ years beginning July 1,
26 _____, in excess of the statutory limits otherwise
27 applicable for the (general county services or rural
28 services) fund?"

29 d. The canvass shall be held beginning at one p.m.
30 on the second day which is not a holiday following the
31 special election.

32 e. Notice of the special election shall be
33 published at least once in a newspaper as specified in
34 section 331.305 prior to the date of the special
35 election. The notice shall appear as early as
36 practicable after the board has voted to seek
37 additional property tax dollars.

38 3. Registered voters in the county may vote on the
39 proposition to increase property taxes for the general
40 fund in excess of the statutory limit. Registered
41 voters residing outside the corporate limits of a city
42 within the county may vote on the proposition to
43 increase property taxes for the rural services fund in
44 excess of the statutory limit.

45 4. The amount of additional property tax dollars
46 certified under this subsection shall not be included
47 in the computation of the maximum amount of property
48 tax dollars which may be certified and levied under
49 section 331.423.

50 Sec. ____ . NEW SECTION. 331.440H CEMETERY LEVY

S-3369

S-3369

Page 9

1 AND FUND.

2 The board may levy annually a tax not to exceed six
3 and three-fourths cents per thousand dollars of the
4 assessed value of all taxable property in the county
5 to repair and maintain all cemeteries under the
6 jurisdiction of the board including pioneer cemeteries
7 and to pay other expenses of the board or the cemetery
8 commission as provided in section 331.325. The
9 proceeds of the tax levy shall be credited to the
10 cemetery fund.

11 Sec. ____ Section 331.325, Code 2001, is amended
12 to read as follows:

13 331.325 CONTROL AND MAINTENANCE OF PIONEER
14 CEMETERIES -- CEMETERY COMMISSION.

15 1. As used in this section, "pioneer cemetery"
16 means a cemetery where there have been six or fewer
17 burials in the preceding fifty years.

18 2. Each county board of supervisors may adopt an
19 ordinance assuming jurisdiction and control of pioneer
20 cemeteries in the county. The board shall exercise
21 the powers and duties of township trustees relating to
22 the maintenance and repair of cemeteries in the county
23 as provided in sections 359.28 through 359.41 except
24 that the board shall not certify a tax levy pursuant
25 to section 359.30 or 359.33 and except that the
26 maintenance and repair of all cemeteries under the
27 jurisdiction of the county including pioneer
28 cemeteries shall be paid from the county general fund
29 or the cemetery fund established in section 331.440H,
30 if applicable. The maintenance and improvement
31 program for a pioneer cemetery may include restoration
32 and management of native prairie grasses and
33 wildflowers.

34 3. In lieu of management of the cemeteries, the
35 board of supervisors may create, by ordinance, a
36 cemetery commission to assume jurisdiction and
37 management of the pioneer cemeteries in the county.
38 The ordinance shall delineate the number of
39 commissioners, the appointing authority, the term of
40 office, officers, employees, organizational matters,
41 rules of procedure, compensation and expenses, and
42 other matters deemed pertinent by the board. The
43 board may delegate any power and duties relating to
44 cemeteries which may otherwise be exercised by
45 township trustees pursuant to sections 359.28 through
46 359.41 to the cemetery commission except the
47 commission shall not certify a tax levy pursuant to
48 section 359.30 or 359.33 and except that the expenses
49 of the cemetery commission shall be paid from the
50 county general fund or the cemetery fund in section

S-3369

S-3369

Page 10

1 331.440H, if applicable.

2 4. Notwithstanding sections 359.30 and 359.33, the
3 costs of management, repair, and maintenance of
4 pioneer cemeteries shall be paid from the county
5 general fund or the cemetery fund in section 331.440H,
6 if applicable.

7 Sec. ____ Section 331.429, subsection 1, Code.
8 2001, is amended by adding the following new
9 paragraph:

10 NEW PARAGRAPH. f. Notwithstanding paragraphs "a"
11 and "b", transfers from the general fund or rural
12 services fund in accordance with this paragraph. If a
13 county is participating in a pilot project under
14 division IV, part 2A, the board may transfer
15 additional funds from the general fund or rural
16 services fund in excess of the amounts in paragraphs
17 "a" and "b" if the proposition has been submitted at a
18 special election and received a favorable majority of
19 the votes cast on the proposition. The board shall
20 direct the county commissioner of elections to submit
21 the proposition at an election. The board must give
22 at least thirty-two days' notice to the county
23 commissioner of elections that the special election is
24 to be held. For a transfer from the general fund,
25 registered voters of the county may vote on the
26 proposition. For a transfer from the rural services
27 fund, registered voters of the county residing outside
28 the corporate limits of a city within the county may
29 vote on the proposition. The proposition to be
30 submitted shall be substantially in the following
31 form:

32 "Vote "yes" or "no" on the following question:

33 Shall the county of _____ transfer an additional
34 \$ _____ each year for two years beginning July 1,
35 _____, from the (general fund or rural services fund)
36 to the secondary road fund?"

37 Notice of the special election shall be published
38 at least once in a newspaper in the manner provided in
39 section 331.305. Notice of the special election shall
40 appear as early as practicable after the board has
41 voted to transfer funds from the general fund or rural
42 services fund to the secondary road fund.

43 If a majority of the votes cast are in favor of the
44 proposition, the board shall certify the results of
45 the election to the department of management and
46 transfer the approved amount to the secondary road
47 fund in the appropriate fiscal year.

48 Sec. ____ NEW SECTION. 331.440I COUNTY
49 SUPPLEMENTAL FUNDS.

50 A county may establish county supplemental funds

S-3369

S-3369

Page 11

1 for the following purposes:

- 2 1. Accounting for pension and related employee
3 benefit funds as provided by the county finance
4 committee. A county may certify taxes to be levied
5 for a county supplemental fund in the amount necessary
6 to meet its obligations.
7 2. Accounting for gifts received by the county for
8 a particular purpose.
9 3. Accounting for money and property received and
10 handled by the county as trustee or custodian or in
11 the capacity of an agent.
12 4. Accounting for tort liability insurance,
13 property insurance, and any other insurance that may
14 be necessary in the operation of the county, costs of
15 a self-insurance program, costs of a local government
16 risk pool, and amounts payable under any insurance
17 agreements to provide or procure such insurance, self-
18 insurance program, or local government risk pool."
19 3. By renumbering and correcting internal
20 references as necessary.

By ROBERT E. DVORSKY
WALLY E. HORN

S-3369 FILED APRIL 17, 2001
RULED OUT OF ORDER

(p.1149)

SENATE FILE 514

S-3373

1 Amend Senate File 514 as follows:

2 1. By striking page 5, line 22, through page 15,
3 line 18, and inserting the following:

4 "Sec. ____ . NEW SECTION. 331.440B COUNTY LEVIES,
5 FUNDS, BUDGETS, AND EXPENDITURES.

6 For the fiscal year beginning July 1, 2002, this
7 section and sections 331.440C through 331.440I shall
8 apply to counties that, as of June 30, 2001, have less
9 than a triple A bond rating.

10 Sections 331.421, 331.423, 331.424C through
11 331.426, do not apply to this part. References in the
12 Code of Iowa to these sections do not apply to
13 counties described in this section.

14 Sec. ____ . NEW SECTION. 331.440C DEFINITIONS.

15 As used in this part, unless the context otherwise
16 requires:

17 1. "Committee" means the county finance committee
18 established in chapter 333A.

19 2. "Debt service" means expenditures for servicing
20 the county's debt.

21 3. "Debt service levy" means a levy authorized and
22 limited by section 331.422, subsection 3.

23 4. "Emergency services levy" means a levy
24 authorized and limited by section 331.424C.

25 5. "Fiscal year" means the period of twelve months
26 beginning July 1 and ending on the following June 30.

27 6. "General county services" means the services
28 which are primarily intended to benefit all residents
29 of a county, including secondary road services, but
30 excluding services financed by other statutory funds.

31 7. "Item" means a budgeted expenditure,
32 appropriation, or cash reserve from a fund for a
33 service area, program, program element, or purpose.

34 8. "Rural county services" means the services
35 which are primarily intended to benefit those persons
36 residing in the county outside of incorporated city
37 areas, including secondary road services, but
38 excluding services financed by other statutory funds.

39 9. "Secondary road services" means the services
40 related to secondary road construction and
41 maintenance, excluding debt service and services
42 financed by other statutory funds.

43 Sec. ____ . NEW SECTION. 331.440D PROPERTY TAX
44 DOLLARS -- MAXIMUMS.

45 1. Annually, the board shall determine separate
46 property tax levy limits to pay for general county
47 services and rural county services in accordance with
48 this section. The property tax levies separately
49 certified for general county services and rural county
50 services in accordance with section 331.434 shall not

S-3373

S-3373

Page 2

- 1 exceed the amount determined under this section.
2 2. For purposes of this section and section
3 331.440E:
- 4 a. "Annual price index" means the change, computed
5 to four decimal places, between the preliminary price
6 index for the third quarter of the calendar year
7 preceding the calendar year in which the fiscal year
8 starts and the revised price index for the third
9 quarter of the previous calendar year as published in
10 the same issue in which such preliminary price index
11 is first published. The price index used shall be the
12 state and local government chain-type price index used
13 in the quantity and price indexes for gross domestic
14 product as published by the United States department
15 of commerce. The annual price index shall not be less
16 than zero and shall not exceed four hundredths. The
17 change shall then be added to one to create a
18 multiplier for the annual price index.
- 19 b. "Boundary adjustment" means annexation,
20 severance, incorporation, or discontinuance as those
21 terms are defined in section 368.1.
- 22 c. "Budget year" is the fiscal year beginning
23 during the calendar year in which a budget is first
24 certified.
- 25 d. "Current fiscal year" is the fiscal year ending
26 during the calendar year in which a budget is first
27 certified.
- 28 e. "Local sales and services taxes" means local
29 sales and services taxes imposed under the authority
30 of chapter 422B.
- 31 f. "Net new valuation taxes" means the amount of
32 property tax dollars equal to the tentative maximum
33 general rate for purposes of the general fund, or the
34 tentative maximum rural rate for purposes of the rural
35 services fund, times the increase from the previous
36 fiscal year in taxable valuation due to the following:
- 37 (1) Net new construction.
38 (2) Additions or improvements to existing
39 structures.
40 (3) Remodeling of existing structures for which a
41 building permit is required.
42 (4) Net boundary adjustment.
43 (5) A municipality no longer dividing tax revenues
44 in an urban renewal area as provided in section
45 403.19, to the extent that the incremental valuation
46 released is due to new construction or revaluation on
47 property newly constructed after the division of
48 revenue begins.
49 (6) That portion of taxable property located in an
50 urban revitalization area on which an exemption was

S-3373

S-3373

Page 3

1 allowed and such exemption has expired.

2 g. "Property tax replacement dollars" means
3 revenues received under sections 427B.17 through
4 427B.19D, revenues received under chapter 437A,
5 subchapter II, and amounts appropriated by the general
6 assembly for property tax relief first enacted for
7 fiscal years beginning on or after July 1, 2001.

8 h. "Tentative maximum general rate" means the
9 amount calculated in subsection 3, paragraph "b",
10 subparagraph (1), divided by the net taxable valuation
11 in the county. For purposes of this paragraph, "net
12 taxable valuation" is the amount of taxable valuation
13 in the county minus the amount of taxable valuation
14 used to calculate net new valuation taxes.

15 i. "Tentative maximum rural rate" means the amount
16 calculated in subsection 3, paragraph "c",
17 subparagraph (1), divided by the net taxable valuation
18 in the unincorporated area of the county. For
19 purposes of this paragraph, "net taxable valuation" is
20 the amount of taxable valuation in the unincorporated
21 area of the county minus the amount of taxable
22 valuation in the unincorporated area of the county
23 used to calculate net new valuation taxes.

24 j. "Unused taxing authority" means the maximum
25 amount of property tax dollars calculated under
26 subsection 3 for a fiscal year minus the amount
27 actually levied under this section in that fiscal
28 year. Unused taxing authority may be carried forward
29 to the following fiscal year. However, the amount of
30 unused taxing authority which may be carried forward
31 shall not exceed twenty-five percent of the maximum
32 amount of property tax dollars available in the
33 current fiscal year.

34 3. a. Effective for the fiscal year beginning
35 July 1, 2002, the maximum amount of property tax
36 dollars levied which may be certified by a county for
37 general county services and rural county services
38 shall be the tentative maximum property tax dollars
39 calculated under paragraphs "b" and "c", respectively,
40 and adjusted by the amounts in paragraphs "d", "e",
41 and "f".

42 b. The tentative maximum property tax dollars for
43 general county services is an amount equal to the sum
44 of the following:

45 (1) The current fiscal year's tentative maximum
46 property tax dollars for general county services minus
47 the unused taxing authority carried forward from the
48 previous fiscal year times the annual price index.

49 (2) The amount of net new valuation taxes.

50 (3) The amount of unused taxing authority carried

S-3373

S-3373

Page 4

1 forward from the previous fiscal year.

2 c. The tentative maximum property tax dollars for
3 rural county services is an amount equal to the sum of
4 the following:

5 (1) The current fiscal year's tentative maximum
6 property tax dollars for rural county services minus
7 the unused taxing authority carried forward from the
8 previous fiscal year times the annual price index.

9 (2) The amount of net new valuation taxes.

10 (3) The amount of unused taxing authority carried
11 forward from the previous fiscal year.

12 d. Subtract the amount of property tax replacement
13 dollars to be received for the budget year that will
14 be deposited in the general fund or the rural services
15 fund, as applicable.

16 e. Subtract the amount of local sales and services
17 taxes for property tax relief estimated by the
18 department of revenue and finance to be received for
19 the budget year that will be deposited in the general
20 fund or the rural services fund, as applicable.

21 f. Subtract the amount of local sales and services
22 taxes received for property tax relief in the previous
23 fiscal year for the county general fund and rural
24 services fund, and add the amount of local sales and
25 services taxes that was budgeted for property tax
26 relief for each of those funds in that fiscal year.

27 3A. Property taxes certified for deposit in the
28 mental health, mental retardation, and developmental
29 disabilities services fund in section 331.424A, the
30 cemetery fund in section 331.440H, the county
31 supplemental funds in section 331.440I, and the debt
32 service fund in section 331.430, any capital projects
33 fund established by the county for deposit of bond,
34 loan, or note proceeds, and any temporary increase
35 approved pursuant to section 331.424 are not counted
36 against the maximum amount of property tax dollars
37 that may be certified for a fiscal year under
38 subsection 3.

39 4. The department of management shall adopt rules
40 to administer this section and section 331.423A after
41 consultation with the county finance committee.

42 Sec. ____ NEW SECTION. 331.440E BASE YEAR
43 PROPERTY TAX DOLLARS.

44 1. For purposes of calculating maximum property
45 tax dollars under section 331.423, the tentative
46 maximum property tax dollars for the fiscal year
47 beginning July 1, 2000, for general county services
48 shall be calculated as provided in this subsection.

49 a. The tentative maximum amount of property tax
50 dollars for general county services for taxes payable

S-3373

S-3373

Page 5

1 in the fiscal year beginning July 1, 2000, shall be an
2 amount equal to the sum of the following, divided by
3 three, and adjusted by the amounts in paragraph "b":

4 (1) The sum of the amount of property taxes levied
5 for general county services and the amount of property
6 tax replacement dollars received and the amount of
7 local sales and services tax revenues received as
8 property tax relief and deposited in the general fund,
9 all for the fiscal year".

10 2. Page 15, by striking lines 20 through 26, and
11 inserting the following:

12 "(2) The sum of the amount of property taxes
13 levied for general county services and the amount of
14 property tax replacement dollars received and the
15 amount of local sales and services tax revenues
16 received as property tax relief and deposited in the
17 general fund, all for the fiscal year".

18 3. Page 15, by striking lines 28 through 34, and
19 inserting the following:

20 "(3) The sum of the amount of property taxes
21 levied for general county services and the amount of
22 property tax replacement dollars received and the
23 amount of local sales and services tax revenues
24 received as property tax relief and deposited in the
25 general fund, all for the fiscal year".

26 4. By striking page 16, line 1, through page 21,
27 line 28, and inserting the following:

28 "b. The amount computed under the formula in
29 paragraph "a" shall be adjusted by subtracting the
30 amount of the ending fund balance differential for
31 general county services as provided in this paragraph.
32 The ending fund balance differential for general
33 county services is the difference between the general
34 fund's ending balance for the fiscal year beginning
35 July 1, 1999, and the general fund's ending balance
36 for the fiscal year beginning July 1, 1996, divided by
37 three.

38 2. For purposes of calculating maximum property
39 tax dollars under section 331.423, the tentative
40 maximum property tax dollars for the fiscal year
41 beginning July 1, 2000, for rural county services
42 shall be calculated as provided in this subsection.

43 a. The tentative maximum amount of property tax
44 dollars for rural county services for taxes payable in
45 the fiscal year beginning July 1, 2000, shall be an
46 amount equal to the sum of the following, divided by
47 three, and adjusted by the amounts in paragraph "b":

48 (1) The sum of the amount of property taxes levied
49 for rural county services and the amount of property
50 tax replacement dollars received and the amount of

S-3373

S-3373

Page 6

1 local sales and services tax revenues received as
2 property tax relief and deposited in the rural
3 services fund, all for the fiscal year beginning July
4 1, 1997, times one and one hundred ten thousandths.

5 (2) The sum of the amount of property taxes levied
6 for rural county services and the amount of property
7 tax replacement dollars received and the amount of
8 local sales and services tax revenues received as
9 property tax relief and deposited in the rural
10 services fund, all for the fiscal year beginning July
11 1, 1998, times one and eighty-nine thousandths.

12 (3) The sum of the amount of property taxes levied
13 for rural county services and the amount of property
14 tax replacement dollars received and the amount of
15 local sales and services tax revenues received as
16 property tax relief and deposited in the rural
17 services fund, all for the fiscal year beginning July
18 1, 1999, times one and sixty-seven thousandths.

19 b. The amount computed under the formula in
20 paragraph "a" shall be adjusted by subtracting the
21 amount of the ending fund balance differential for
22 rural county services as provided in this paragraph.
23 The ending fund balance differential for rural county
24 services is the difference between the rural services
25 fund's ending balance for the fiscal year beginning
26 July 1, 1999, and the rural services fund's ending
27 balance for the fiscal year beginning July 1, 1996,
28 divided by three.

29 3. a. The tentative maximum amount of property
30 tax dollars for general county services for taxes
31 payable in the fiscal year beginning July 1, 2001, is
32 an amount equal to the amount computed in subsection 1
33 times the annual price index plus the amount of net
34 new valuation taxes.

35 b. The tentative maximum amount of property tax
36 dollars for rural county services for taxes payable in
37 the fiscal year beginning July 1, 2001, is an amount
38 equal to the amount computed in subsection 2 times the
39 annual price index plus the amount of net new
40 valuation taxes.

41 4. Each county shall calculate its tentative
42 maximum property tax dollars under this section on
43 forms prescribed by the department of management.

44 Sec. ____ . NEW SECTION. 331.440F ENDING FUND
45 BALANCE.

46 1. Budgeted ending fund balances for a fiscal year
47 in excess of twenty-five percent of budgeted
48 expenditures in either the general services fund or
49 rural county services fund for that fiscal year shall
50 be explicitly reserved or designated for a specific

S-3373

S-3373

Page 7

1 purpose and specifically described in the certified
2 budget. The description shall include the projected
3 date that the expenditures will be appropriated for
4 the specific purpose. In a protest to the county
5 budget under section 331.436, the county shall have
6 the burden of proving that the budgeted balances in
7 excess of twenty-five percent are reasonably likely to
8 be appropriated for the explicitly reserved or
9 designated specific purpose by the date identified in
10 the certified budget. The excess budgeted balance for
11 the specific purpose shall be considered an increase
12 in an item in the budget for purposes of section
13 24.28.

14 2. For the fiscal year beginning July 1, 2002, a
15 county may levy additional property taxes pursuant to
16 this subsection. The amount of the additional
17 property taxes which may be levied is equal to the
18 amount by which twenty-five percent of combined actual
19 expenditures for general county services and rural
20 county services in the fiscal year beginning July 1,
21 2000, exceeded the combined actual ending fund
22 balances for the general fund and the rural county
23 services fund in that fiscal year. The amount of the
24 additional property taxes shall be divided between the
25 general fund and the rural services fund in proportion
26 to the amount of actual expenditures for general
27 county services to total actual expenditures for
28 general and rural county services for the fiscal year
29 beginning July 1, 2000, and in proportion to the
30 amount of actual expenditures for rural county
31 services to total actual expenditures for general and
32 rural county services for the fiscal year beginning
33 July 1, 2000. However, the amount apportioned for
34 general county services and for rural county services
35 shall not exceed for each fund twenty-five percent of
36 actual expenditures for the fiscal year beginning July
37 1, 2000. All or a portion of the additional property
38 tax dollars may be levied for the purpose of
39 increasing cash reserves for general county services
40 and rural county services in the budget year. The
41 balance of the increase may be carried forward as
42 unused ending fund balance taxing authority until and
43 for the fiscal year beginning July 1, 2004. The
44 amount carried forward, when combined with unused
45 taxing authority shall not exceed twenty-five percent
46 of the maximum amount of property tax dollars
47 available in the current fiscal year. Additionally,
48 property taxes that are levied as unused taxing
49 authority under this subsection may be the subject of
50 a protest under section 331.436 and the amount will be

S-3373

-7-

S-3373

Page 8

1 considered an increase in an item in the budget for
2 purposes of section 24.28. The amount of additional
3 property taxes levied under this subsection shall not
4 be included in the computation of the maximum amount
5 of property tax dollars which may be certified and
6 levied under section 331.423.

7 Sec. ____ . NEW SECTION. 331.440G AUTHORITY TO
8 LEVY BEYOND MAXIMUM PROPERTY TAX DOLLARS.

9 1. The board may certify additions to the maximum
10 amount of property tax dollars to be levied for a
11 period of time not to exceed two years if the
12 proposition has been submitted at a special election
13 and received a favorable majority of the votes cast on
14 the proposition.

15 2. The special election is subject to the
16 following:

17 a. The board must give at least thirty-two days'
18 notice to the county commissioner of elections that
19 the special election is to be held.

20 b. The special election shall be conducted by the
21 county commissioner of elections in accordance with
22 law.

23 c. The proposition to be submitted shall be
24 substantially in the following form:

25 "Vote "yes" or "no" on the following:

26 Shall the county of _____ levy for an additional
27 \$ _____ each year for ____ years beginning July 1,
28 _____, in excess of the statutory limits otherwise
29 applicable for the (general county services or rural
30 services) fund?"

31 d. The canvass shall be held beginning at one p.m.
32 on the second day which is not a holiday following the
33 special election.

34 e. Notice of the special election shall be
35 published at least once in a newspaper as specified in
36 section 331.305 prior to the date of the special
37 election. The notice shall appear as early as
38 practicable after the board has voted to seek
39 additional property tax dollars.

40 3. Registered voters in the county may vote on the
41 proposition to increase property taxes for the general
42 fund in excess of the statutory limit. Registered
43 voters residing outside the corporate limits of a city
44 within the county may vote on the proposition to
45 increase property taxes for the rural services fund in
46 excess of the statutory limit.

47 4. The amount of additional property tax dollars
48 certified under this subsection shall not be included
49 in the computation of the maximum amount of property
50 tax dollars which may be certified and levied under

S-3373

-8-

S-3373

Page 9

1 section 331.423.

2 Sec. ____ . NEW SECTION. 331.440H CEMETERY LEVY
3 AND FUND.

4 The board may levy annually a tax not to exceed six
5 and three-fourths cents per thousand dollars of the
6 assessed value of all taxable property in the county
7 to repair and maintain all cemeteries under the
8 jurisdiction of the board including pioneer cemeteries
9 and to pay other expenses of the board or the cemetery
10 commission as provided in section 331.325. The
11 proceeds of the tax levy shall be credited to the
12 cemetery fund.

13 Sec. ____ . Section 331.325, Code 2001, is amended
14 to read as follows:

15 331.325 CONTROL AND MAINTENANCE OF PIONEER
16 CEMETERIES -- CEMETERY COMMISSION.

17 1. As used in this section, "pioneer cemetery"
18 means a cemetery where there have been six or fewer
19 burials in the preceding fifty years.

20 2. Each county board of supervisors may adopt an
21 ordinance assuming jurisdiction and control of pioneer
22 cemeteries in the county. The board shall exercise
23 the powers and duties of township trustees relating to
24 the maintenance and repair of cemeteries in the county
25 as provided in sections 359.28 through 359.41 except
26 that the board shall not certify a tax levy pursuant
27 to section 359.30 or 359.33 and except that the
28 maintenance and repair of all cemeteries under the
29 jurisdiction of the county including pioneer
30 cemeteries shall be paid from the county general fund
31 or the cemetery fund established in section 331.440H,
32 if applicable. The maintenance and improvement
33 program for a pioneer cemetery may include restoration
34 and management of native prairie grasses and
35 wildflowers.

36 3. In lieu of management of the cemeteries, the
37 board of supervisors may create, by ordinance, a
38 cemetery commission to assume jurisdiction and
39 management of the pioneer cemeteries in the county.
40 The ordinance shall delineate the number of
41 commissioners, the appointing authority, the term of
42 office, officers, employees, organizational matters,
43 rules of procedure, compensation and expenses, and
44 other matters deemed pertinent by the board. The
45 board may delegate any power and duties relating to
46 cemeteries which may otherwise be exercised by
47 township trustees pursuant to sections 359.28 through
48 359.41 to the cemetery commission except the
49 commission shall not certify a tax levy pursuant to
50 section 359.30 or 359.33 and except that the expenses

S-3373

S-3373

Page 10

1 of the cemetery commission shall be paid from the
2 county general fund or the cemetery fund in section
3 331.440H, if applicable.

4 4. Notwithstanding sections 359.30 and 359.33, the
5 costs of management, repair, and maintenance of
6 pioneer cemeteries shall be paid from the county
7 general fund or the cemetery fund in section 331.440H,
8 if applicable.

9 Sec. ____ . Section 331.429, subsection 1, Code
10 2001, is amended by adding the following new
11 paragraph:

12 NEW PARAGRAPH. f. Notwithstanding paragraphs "a"
13 and "b", transfers from the general fund or rural
14 services fund in accordance with this paragraph. If a
15 county is participating in a pilot project under
16 division IV, part 2A, the board may transfer
17 additional funds from the general fund or rural
18 services fund in excess of the amounts in paragraphs
19 "a" and "b" if the proposition has been submitted at a
20 special election and received a favorable majority of
21 the votes cast on the proposition. The board shall
22 direct the county commissioner of elections to submit
23 the proposition at an election. The board must give
24 at least thirty-two days' notice to the county
25 commissioner of elections that the special election is
26 to be held. For a transfer from the general fund,
27 registered voters of the county may vote on the
28 proposition. For a transfer from the rural services
29 fund, registered voters of the county residing outside
30 the corporate limits of a city within the county may
31 vote on the proposition. The proposition to be
32 submitted shall be substantially in the following
33 form:

34 "Vote "yes" or "no" on the following question:
35 Shall the county of _____ transfer an additional
36 \$ _____ each year for two years beginning July 1,
37 _____, from the (general fund or rural services fund)
38 to the secondary road fund?"

39 Notice of the special election shall be published
40 at least once in a newspaper in the manner provided in
41 section 331.305. Notice of the special election shall
42 appear as early as practicable after the board has
43 voted to transfer funds from the general fund or rural
44 services fund to the secondary road fund.

45 If a majority of the votes cast are in favor of the
46 proposition, the board shall certify the results of
47 the election to the department of management and
48 transfer the approved amount to the secondary road
49 fund in the appropriate fiscal year.

50 Sec. ____ . NEW SECTION. 331.440I COUNTY

S-3373

S-3373

Page 11

1 SUPPLEMENTAL FUNDS.

2 A county may establish county supplemental funds
3 for the following purposes:

4 1. Accounting for pension and related employee
5 benefit funds as provided by the county finance
6 committee. A county may certify taxes to be levied
7 for a county supplemental fund in the amount necessary
8 to meet its obligations.

9 2. Accounting for gifts received by the county for
10 a particular purpose.

11 3. Accounting for money and property received and
12 handled by the county as trustee or custodian or in
13 the capacity of an agent.

14 4. Accounting for tort liability insurance,
15 property insurance, and any other insurance that may
16 be necessary in the operation of the county, costs of
17 a self-insurance program, costs of a local government
18 risk pool, and amounts payable under any insurance
19 agreements to provide or procure such insurance, self-
20 insurance program, or local government risk pool."

21 5. By renumbering and correcting internal
22 references as necessary.

By ROBERT E. DVORSKY**S-3373** FILED APRIL 17, 2001

LOST

(P. 1160)

SENATE FILE 514

S-3441

1 Amend Senate File 514 as follows:

2 1. Page 10, by inserting after line 4, the
3 following:

4 "____. "County affected by tax increment financing"
5 means a county where both of the following apply:

6 (1) The board of supervisors certified a general
7 fund levy for the fiscal year beginning July 1, 2001,
8 on or before March 15, 2001, that was less than three
9 dollars and fifty cents per thousand dollars of
10 taxable valuation times the taxable valuation for the
11 general fund for that fiscal year.

12 (2) A city or community college established a tax
13 increment financing district on property against which
14 the county levied general fund property taxes in the
15 fiscal year beginning July 1, 2000."

16 2. Page 10, by inserting after line 30, the
17 following:

18 "() A municipality dividing tax revenues in an
19 urban renewal area as provided in section 403.19 which
20 is located in a county affected by tax increment
21 financing, to the extent of the amount of incremental
22 valuation on property newly constructed on or after
23 July 1, 2001. The amount computed under this
24 subparagraph shall not exceed the dollar equivalent of
25 three hundred fifty hundred thousandths multiplied by
26 the taxable valuation for the general fund for the
27 budget year, minus the greater of the current year's
28 tentative maximum property tax dollars for general
29 county services or the general fund property tax
30 dollars certified for the fiscal year beginning July
31 1, 2001."

32 3. Page 21, by inserting after line 27, the
33 following:

34 "Sec. 100. Section 425A.2, subsection 4, paragraph
35 d, Code 2001, is amended to read as follows:

36 d. If the owner is an authorized farm corporation,
37 a shareholder who owns at least ~~fifty-one~~ fifty
38 percent of the stock of the authorized farm
39 corporation or the shareholder's spouse.

40 Sec. 101. Section 425A.2, subsection 4, paragraph
41 e, Code 2001, is amended to read as follows:

42 e. If the owner is an individual who leases the
43 tract to a family farm corporation, a shareholder of
44 the corporation if the combined stock of the family
45 farm corporation owned by the owner of the tract and
46 persons related to the owner as enumerated in
47 paragraph "a" is equal to at least ~~fifty-one~~ fifty
48 percent of the stock of the family farm corporation.

49 Sec. 102. Section 425A.2, subsection 4, paragraph
50 f, Code 2001, is amended to read as follows:

S-3441

S-3441

Page 2

1 f. If the owner is an individual who leases the
2 tract to a partnership, a partner if the combined
3 partnership interest owned by a designated person as
4 defined in paragraph "a" is equal to at least ~~fifty-~~
5 ~~one~~ fifty percent of the ownership interest of the
6 partnership.

7 Sec. 200. Section 427.1, subsection 19, Code 2001,
8 is amended by adding the following new unnumbered
9 paragraph after unnumbered paragraph 8:

10 NEW UNNUMBERED PARAGRAPH. Pollution-control
11 property used for purposes relating to the care and
12 feeding of livestock as defined in section 169C.1
13 shall be limited to the first two hundred thousand
14 dollars in assessed value per taxpayer, unless an
15 owner of the pollution-control property is any of the
16 following:

Div B

17 a. The owner of agricultural land which is
18 eligible for the family farm property tax credit as
19 provided in chapter 425A.

20 b. Actively engaged in farming as defined in
21 section 10.1.

22 c. A networking farmers entity as defined in
23 section 10.1 or a member of a networking farmers
24 entity."

25 4. Page 21, by striking line 29, and inserting
26 the following:

27 "Sec. ____ . APPLICABILITY DATES. Sections 100
28 through 102 of this Act apply to credits applied for
29 on or after July 1, 2001. Section 200 of this Act
30 applies to exemptions first applied for on or after
31 July 1, 2001. The remainder of this Act applies to
32 the".

33 5. By renumbering, redesignating, and correcting
34 internal references as necessary.

By COMMITTEE ON WAY AND MEANS
LARRY MCKIBBEN, Chairperson

S-3441 FILED APRIL 23, 2001

A. adopted 4/24/01 (P. 1262)

B. adopted 4/24/01 (P. 1265)

SENATE FILE 514

S-3460

1 Amend the amendment, S-3441, to Senate File 514, as
2 follows:

3 1. Page 1, by striking lines 37 through 39, and
4 inserting the following: "a shareholder or the
5 shareholder's spouse who owns at least fifty-one fifty
6 percent of the stock of the authorized farm
7 corporation ~~or the shareholder's spouse.~~".

By LARRY MCKIBBEN

S-3460 FILED APRIL 24, 2001

ADOPTED

(p. 1262)

SENATE FILE 514

S-3473

1 Amend the amendment, S-3441, to Senate File 514 as
2 follows:

3 1. Page 2, line 14, by striking the words "per
4 taxpayer".

By JACK HOLVECK
LARRY MCKIBBEN

S-3473 FILED APRIL 24, 2001

ADOPTED

(p. 1265)

SENATE FILE S14
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 226)
(SUCCESSOR TO SF 31)

(AS AMENDED AND PASSED BY THE SENATE APRIL 23, 2001)

_____ - New Language by the Senate

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

A BILL FOR

1 An Act relating to a maximum property tax dollars limitation for
2 counties and providing for the Act's applicability.

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

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S.F. 514

1 Section 1. Section 23A.2, subsection 10, paragraph h, Code
2 2001, is amended to read as follows:

3 h. The performance of an activity listed in section
4 331.424, Code 2001, as a service for which a supplemental levy
5 may was allowed to be certified.

6 Sec. 2. NEW SECTION. 28L.1 IOWA COMMISSION ON STATE AND
7 LOCAL TAXATION.

8 1. An Iowa commission on state and local taxation is
9 created which shall consist of thirteen members appointed as
10 follows:

11 a. Three senators appointed by the majority leader of the
12 senate, one of whom shall be nominated by the minority leader
13 of the senate. Two of the appointees shall be residents of a
14 county with a population of less than forty thousand.

15 b. Three representatives appointed by the speaker of the
16 house, one of whom shall be nominated by the minority leader
17 of the house. Two of the appointees shall be residents of a
18 county with a population of less than forty thousand.

19 c. One member appointed by the Iowa state association of
20 counties.

21 d. One member appointed by the Iowa league of cities.

22 e. One member appointed by the Iowa association of school
23 boards.

24 f. One member from an organization representing
25 agricultural interests appointed jointly by the majority
26 leader of the senate and the speaker of the house.

27 g. One member from an organization representing taxpayers
28 and appointed jointly by the majority leader of the senate and
29 the speaker of the house.

30 h. One member from an organization representing business
31 taxpayers and appointed jointly by the majority leader of the
32 senate and the speaker of the house.

33 i. One member representing small business owners appointed
34 jointly by the majority leader of the senate and the speaker
35 of the house.

1 2. In making all appointments, consideration shall be
2 given to gender, race, or ethnic representation, population
3 and demographic factors, and representation of different
4 geographic regions. Appointments made under subsection 1,
5 paragraphs "c" through "e", are not subject to section 69.16
6 or 69.16A.

7 3. Members of the commission shall hold office for four
8 years beginning June 1 of the year of appointment and until
9 their successors are appointed, except that three initial
10 appointees shall be appointed for one year, three initial
11 appointees for two years, four initial appointees for three
12 years, and three initial appointees for four years. The
13 commission shall conduct its organizational meeting no later
14 than September 1, 2001, and at that meeting shall elect a
15 chairperson to serve until May 2002.

16 4. Legislative members of the commission are eligible for
17 per diem and expenses as provided in section 2.10. Other
18 members of the commission shall be reimbursed for actual and
19 necessary expenses incurred in performance of their duties.
20 Members may also be eligible to receive compensation as
21 provided in section 7E.6.

22 5. A majority of the commission members shall constitute a
23 quorum. For the purpose of conducting business, a majority
24 vote of the commission shall be required. Beginning in May
25 2002, the commission shall meet in May of each year for the
26 purpose of electing one of its members as chairperson. The
27 commission shall meet quarterly and at other times as
28 necessary at the call of the chairperson or when any five
29 members of the commission file a written request with the
30 chairperson for a meeting. Written notice of the time and
31 place of each meeting shall be given to each member of the
32 commission.

33 6. The commission may establish committees, as it deems
34 advisable and feasible, whose membership shall include at
35 least two members of the commission, but only the commission

1 may take final action on a proposal or recommendation of a
2 committee.

3 7. Any vacancy shall be filled in the same manner as
4 regular appointments are made for the unexpired portion of the
5 regular term. A member of the commission may be removed for
6 any of the causes and in the manner provided in chapter 66.

7 Sec. 3. NEW SECTION. 28L.2 STAFF AND FACILITIES.

8 The commission and committees established by the commission
9 may accept technical and operational assistance from the staff
10 of the legislative service bureau and the legislative fiscal
11 bureau, other state or federal agencies, units of local
12 governments, or any other public or private source. The
13 directors of the legislative service bureau and the
14 legislative fiscal bureau may assign professional, technical,
15 legal, clerical, or other staff, as necessary and authorized
16 by the legislative council for continued operation of the
17 commission. However, technical and operational assistance
18 provided by the bureaus shall be provided within existing
19 appropriations made to or with existing resources of the
20 legislative service bureau and legislative fiscal bureau. The
21 legislative council may also provide to the commission
22 available facilities and equipment as requested by the
23 commission. The legislative council shall provide funding for
24 consulting services should the commission deem it appropriate.

25 Sec. 4. NEW SECTION. 28L.3 REVIEW OF STATE AND LOCAL
26 REVENUE AND SERVICES.

27 1. The commission shall conduct a review of the following:

28 a. Revenue sources available to local governments,
29 including taxes, fees, state appropriations, and federal
30 moneys.

31 b. Revenue sources available to the state, including
32 taxes, fees, and federal moneys, and the portion of state
33 revenues annually appropriated, or otherwise disbursed, to
34 local governments.

35 c. Services provided by local governments, including those

1 provided at the discretion of a local government and those
2 mandated by federal or state statutes and regulations.

3 2. In conducting its review of revenue sources, the
4 commission shall study state and local taxes from the
5 standpoint of equity, neutrality, competitiveness, simplicity,
6 and stability.

7 3. The commission shall hold public hearings to allow
8 persons and organizations to be heard.

9 4. The commission shall submit a report to the general
10 assembly on the status of the review no later than March 15,
11 2002. The status report shall summarize the commission's
12 activities to date and may include such other information that
13 the commission deems relevant and necessary.

14 5. a. The commission shall submit a final report to the
15 general assembly no later than January 15, 2006.

16 b. The final report shall include the following:

17 (1) A statement of goals that the commission believes are
18 necessary to achieve principles of taxation agreed upon by the
19 committee.

20 (2) Any strategies formulated by the commission that
21 consist of recommended methods of state and local taxation,
22 specific structural changes, and any modifications to the
23 current system of state and local taxation.

24 (3) Such other information that the commission deems
25 relevant and necessary.

26 6. This section shall not be construed to preclude the
27 enactment of legislation that eliminates or reduces any state
28 or local government tax during the period the Iowa commission
29 on state and local taxation is conducting the review required
30 by this section.

31 Sec. 5. NEW SECTION. 28L.4 DUTIES OF THE COMMISSION.

32 The commission shall:

33 1. Conduct the review as required in section 28L.3.

34 2. Monitor legislative or administrative action on
35 recommendations in the report required in section 28L.3.

1 3. Annually report on the state of local governments in
2 Iowa.

3 4. Annually report on state and federal issues relating to
4 local government that have a potential fiscal impact on local
5 governments.

6 5. Annually report on court decisions having an impact on
7 state and local government revenue or services.

8 6. The reports in subsections 3, 4, and 5 shall be filed
9 with the governor, president of the senate, speaker of the
10 house, and the majority and minority leaders of each house,
11 and shall be made available to legislators and the public upon
12 request. The reports must be submitted no later than January
13 15 of each year.

14 Sec. 6. NEW SECTION. 28L.5 INFORMATION.

15 The commission may request from any state agency or
16 official the information and assistance as needed to perform
17 the duties of the commission. A state agency or official
18 shall furnish the information or assistance requested within
19 the authority and resources of the state agency or official.
20 This section does not allow the examination or copying of any
21 public record which is required by law to be kept
22 confidential.

23 Sec. 7. NEW SECTION. 28L.6 FUTURE REPEAL.

24 This chapter is repealed effective July 1, 2006.

25 Sec. 8. Section 123.38, unnumbered paragraph 2, Code 2001,
26 is amended to read as follows:

27 Any licensee or permittee, or the licensee's or permittee's
28 executor or administrator, or any person duly appointed by the
29 court to take charge of and administer the property or assets
30 of the licensee or permittee for the benefit of the licensee's
31 or permittee's creditors, may voluntarily surrender a license
32 or permit to the division. When a license or permit is
33 surrendered the division shall notify the local authority, and
34 the division or the local authority shall refund to the person
35 surrendering the license or permit, a proportionate amount of

1 the fee received by the division or the local authority for
2 the license or permit as follows: if a license or permit is
3 surrendered during the first three months of the period for
4 which it was issued, the refund shall be three-fourths of the
5 amount of the fee; if surrendered more than three months but
6 not more than six months after issuance, the refund shall be
7 one-half of the amount of the fee; if surrendered more than
8 six months but not more than nine months after issuance, the
9 refund shall be one-fourth of the amount of the fee. No
10 refund shall be made, however, for any special liquor permit,
11 nor for a liquor control license, wine permit, or beer permit
12 surrendered more than nine months after issuance. For
13 purposes of this paragraph, any portion of license or permit
14 fees used for the purposes authorized in section 331-4247
15 ~~subsection-17-paragraphs-"a"-and-"b"-and-in-section~~ 331.424A7
16 shall not be deemed received either by the division or by a
17 local authority. No refund shall be made to any licensee or
18 permittee, upon the surrender of the license or permit, if
19 there is at the time of surrender, a complaint filed with the
20 division or local authority, charging the licensee or
21 permittee with a violation of this chapter. If upon a hearing
22 on a complaint the license or permit is not revoked or
23 suspended, then the licensee or permittee is eligible, upon
24 surrender of the license or permit, to receive a refund as
25 provided in this section; but if the license or permit is
26 revoked or suspended upon hearing the licensee or permittee is
27 not eligible for the refund of any portion of the license or
28 permit fee.

29 Sec. 9. Section 218.99, Code 2001, is amended to read as
30 follows:

31 218.99 COUNTIES TO BE NOTIFIED OF PATIENTS' PERSONAL
32 ACCOUNTS.

33 The administrator in control of a state institution shall
34 direct the business manager of each institution under the
35 administrator's jurisdiction ~~which-is-mentioned-in-section~~

1 331.424, subsection 17, paragraphs "a" and "b", and for which
2 services are paid under section 331.424A, to quarterly inform
3 the county of legal settlement's entity designated to perform
4 the county's single entry point process of any patient or
5 resident who has an amount in excess of two hundred dollars on
6 account in the patients' personal deposit fund and the amount
7 on deposit. The administrators shall direct the business
8 manager to further notify the entity designated to perform the
9 county's single entry point process at least fifteen days
10 before the release of funds in excess of two hundred dollars
11 or upon the death of the patient or resident. If the patient
12 or resident has no county of legal settlement, notice shall be
13 made to the director of human services and the administrator
14 in control of the institution involved.

15 Sec. 10. Section 331.301, subsection 12, Code 2001, is
16 amended to read as follows:

17 12. The board of supervisors may credit funds to a reserve
18 for the purposes authorized by subsection 11 of this section,
19 ~~section 331.424, subsection 17, paragraph "f"~~, and section
20 331.441, subsection 2, paragraph "b". Moneys credited to the
21 reserve, and interest earned on such moneys, shall remain in
22 the reserve until expended for purposes authorized by
23 subsection 11 of this section, ~~section 331.424, subsection 17,~~
24 ~~paragraph "f"~~, or section 331.441, subsection 2, paragraph
25 "b".

26 Sec. 11. Section 331.325, Code 2001, is amended to read as
27 follows:

28 331.325 CONTROL AND MAINTENANCE OF PIONEER CEMETERIES --
29 CEMETERY COMMISSION.

30 1. As used in this section, "pioneer cemetery" means a
31 cemetery where there have been six or fewer burials in the
32 preceding fifty years.

33 2. Each county board of supervisors may adopt an ordinance
34 assuming jurisdiction and control of pioneer cemeteries in the
35 county. The board shall exercise the powers and duties of

1 township trustees relating to the maintenance and repair of
2 cemeteries in the county as provided in sections 359.28
3 through 359.41 except that the board shall not certify a tax
4 levy pursuant to section 359.30 or 359.33 and except that the
5 maintenance and repair of all cemeteries under the
6 jurisdiction of the county including pioneer cemeteries shall
7 be paid from the ~~county-general~~ cemetery fund. The
8 maintenance and improvement program for a pioneer cemetery may
9 include restoration and management of native prairie grasses
10 and wildflowers.

11 3. In lieu of management of the cemeteries, the board of
12 supervisors may create, by ordinance, a cemetery commission to
13 assume jurisdiction and management of the pioneer cemeteries
14 in the county. The ordinance shall delineate the number of
15 commissioners, the appointing authority, the term of office,
16 officers, employees, organizational matters, rules of
17 procedure, compensation and expenses, and other matters deemed
18 pertinent by the board. The board may delegate any power and
19 duties relating to cemeteries which may otherwise be exercised
20 by township trustees pursuant to sections 359.28 through
21 359.41 to the cemetery commission except the commission shall
22 not certify a tax levy pursuant to section 359.30 or 359.33
23 and except that the expenses of the cemetery commission shall
24 be paid from the ~~county-general~~ cemetery fund.

25 4. Notwithstanding sections 359.30 and 359.33, the costs
26 of management, repair, and maintenance of pioneer cemeteries
27 shall be paid from the ~~county-general~~ cemetery fund.

28 Sec. 12. Section 331.421, subsections 1 and 10, Code 2001,
29 are amended by striking the subsections.

30 Sec. 13. Section 331.421, Code 2001, is amended by adding
31 the following new subsection:

32 NEW SUBSECTION. 7A. "Item" means a budgeted expenditure,
33 appropriation, or cash reserve from a fund for a service area,
34 program, program element, or purpose.

35 Sec. 14. Section 331.422, Code 2001, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 2A. Taxes in the amount necessary to meet
3 obligations under section 331.425, subsection 1, paragraphs
4 "a" and "b", shall be levied on all taxable property in the
5 county.

6 Sec. 15. Section 331.423, Code 2001, is amended by
7 striking the section and inserting in lieu thereof the
8 following:

9 331.423 PROPERTY TAX DOLLARS -- MAXIMUMS.

10 1. Annually, the board shall determine separate property
11 tax levy limits to pay for general county services and rural
12 county services in accordance with this section. The property
13 tax levies separately certified for general county services
14 and rural county services in accordance with section 331.434
15 shall not exceed the amount determined under this section.

16 2. For purposes of this section and sections 331.423A and
17 331.423B:

18 a. "Annual price index" means the change, computed to four
19 decimal places, between the preliminary price index for the
20 third quarter of the calendar year preceding the calendar year
21 in which the fiscal year starts and the revised price index
22 for the third quarter of the previous calendar year as
23 published in the same issue in which such preliminary price
24 index is first published. The price index used shall be the
25 state and local government chain-type price index used in the
26 quantity and price indexes for gross domestic product as
27 published by the United States department of commerce. The
28 annual price index shall not be less than zero and shall not
29 exceed four hundredths. The change shall then be added to one
30 to create a multiplier for the annual price index. For the
31 fiscal year beginning July 1, 2002, the annual price index as
32 defined in this paragraph, for the purposes of determining the
33 tentative maximum property tax dollars for general county
34 services and rural county services under section 331.423,
35 subsection 3, shall be the same as the annual price index

1 certified for the fiscal year beginning July 1, 2001, as
2 applied in section 331.423A, subsection 3.

3 b. "Boundary adjustment" means annexation, severance,
4 incorporation, or discontinuance as those terms are defined in
5 section 368.1.

6 c. "Budget year" is the fiscal year beginning during the
7 calendar year in which a budget is first certified.

8 d. "County affected by tax increment financing" means a
9 county where both of the following apply:

10 (1) The board of supervisors certified a general fund levy
11 for the fiscal year beginning July 1, 2001, on or before March
12 15, 2001, that was less than three dollars and fifty cents per
13 thousand dollars of taxable valuation times the taxable
14 valuation for the general fund for that fiscal year.

15 (2) A city or community college established a tax
16 increment financing district on property against which the
17 county levied general fund property taxes in the fiscal year
18 beginning July 1, 2000.

19 e. "Current fiscal year" is the fiscal year ending during
20 the calendar year in which a budget is first certified.

21 f. "Local sales and services taxes" means local sales and
22 services taxes imposed under the authority of chapter 422B.

23 g. "Net new valuation taxes" means the amount of property
24 tax dollars equal to the tentative maximum general rate for
25 purposes of the general fund, or the tentative maximum rural
26 rate for purposes of the rural services fund, times the
27 increase from the previous fiscal year in taxable valuation
28 due to the following:

29 (1) Net new construction excluding all incremental
30 valuation that is released in any one year from an urban
31 renewal area for which taxes are being divided under section
32 403.19 if the property remains part of the urban renewal area.

33 (2) Additions or improvements to existing structures.

34 (3) Remodeling of existing structures for which a building
35 permit is required.

1 (4) Net boundary adjustment.

2 (5) A municipality no longer dividing tax revenues in an
3 urban renewal area as provided in section 403.19, to the
4 extent that the incremental valuation released is due to new
5 construction or revaluation on property newly constructed
6 after the division of revenue begins.

7 (6) That portion of taxable property located in an urban
8 revitalization area on which an exemption was allowed and such
9 exemption has expired.

10 (7) A municipality dividing tax revenues in an urban
11 renewal area as provided in section 403.19 which is located in
12 a county affected by tax increment financing, to the extent of
13 the amount of incremental valuation on property newly
14 constructed on or after July 1, 2001. The amount computed
15 under this subparagraph shall not exceed the dollar equivalent
16 of three hundred fifty hundred thousandths multiplied by the
17 taxable valuation for the general fund for the budget year,
18 minus the greater of the current year's tentative maximum
19 property tax dollars for general county services or the
20 general fund property tax dollars certified for the fiscal
21 year beginning July 1, 2001.

22 h. "Property tax replacement dollars" means revenues
23 received under sections 427B.17 through 427B.19D, revenues
24 received under chapter 437A, subchapter II, revenues received
25 under section 99F.11 that are specifically designated for
26 property tax relief in the current fiscal year, and amounts
27 appropriated by the general assembly for property tax relief
28 first enacted for fiscal years beginning on or after July 1,
29 2001.

30 i. "Tentative maximum general rate" means the amount
31 calculated in subsection 3, paragraph "b", subparagraph (1),
32 divided by the net taxable valuation in the county. For
33 purposes of this paragraph, "net taxable valuation" is the
34 amount of taxable valuation in the county minus the amount of
35 taxable valuation used to calculate net new valuation taxes.

1 j. "Tentative maximum rural rate" means the amount
2 calculated in subsection 3, paragraph "c", subparagraph (1),
3 divided by the net taxable valuation in the unincorporated
4 area of the county. For purposes of this paragraph, "net
5 taxable valuation" is the amount of taxable valuation in the
6 unincorporated area of the county minus the amount of taxable
7 valuation in the unincorporated area of the county used to
8 calculate net new valuation taxes.

9 k. "Unused taxing authority" means the maximum amount of
10 property tax dollars calculated under subsection 3 for a
11 fiscal year minus the amount actually levied under this
12 section in that fiscal year. Unused taxing authority may be
13 carried forward to the following fiscal year. However, the
14 amount of unused taxing authority which may be carried forward
15 shall not exceed twenty-five percent of the maximum amount of
16 property tax dollars available in the current fiscal year.

17 3. a. Effective for and after the fiscal year beginning
18 July 1, 2002, the maximum amount of property tax dollars
19 levied which may be certified by a county for general county
20 services and rural county services shall be the tentative
21 maximum property tax dollars calculated under paragraphs "b"
22 and "c", respectively, and adjusted by the amounts in
23 paragraphs "d", "e", and "f".

24 b. The tentative maximum property tax dollars for general
25 county services is an amount equal to the sum of the
26 following:

27 (1) The current fiscal year's tentative maximum property
28 tax dollars for general county services minus the unused
29 taxing authority carried forward from the previous fiscal year
30 times the annual price index.

31 (2) The amount of net new valuation taxes.

32 (3) The amount of unused taxing authority carried forward
33 from the previous fiscal year.

34 c. The tentative maximum property tax dollars for rural
35 county services is an amount equal to the sum of the

1 following:

2 (1) The current fiscal year's tentative maximum property
3 tax dollars for rural county services minus the unused taxing
4 authority carried forward from the previous fiscal year times
5 the annual price index.

6 (2) The amount of net new valuation taxes.

7 (3) The amount of unused taxing authority carried forward
8 from the previous fiscal year.

9 d. Subtract the amount of property tax replacement dollars
10 to be received for the budget year that will be deposited in
11 the general fund or the rural services fund, as applicable.

12 e. Subtract the amount of local sales and services taxes
13 for property tax relief estimated by the department of revenue
14 and finance to be received for the budget year that will be
15 deposited in the general fund or the rural services fund, as
16 applicable.

17 f. Subtract the amount of local sales and services taxes
18 received for property tax relief in the previous fiscal year
19 for the county general fund and rural services fund, and add
20 the amount of local sales and services taxes that was budgeted
21 for property tax relief for each of those funds in that fiscal
22 year.

23 4. Property taxes certified for deposit in the mental
24 health, mental retardation, and developmental disabilities
25 services fund in section 331.424A, the cemetery fund in
26 section 331.424B, the county supplemental fund in section
27 331.425, and the debt service fund in section 331.430, any
28 capital projects fund established by the county for deposit of
29 bond, loan, or note proceeds, and any temporary increase
30 approved pursuant to section 331.424, are not counted against
31 the maximum amount of property tax dollars that may be
32 certified for the fiscal year under subsection 3.

33 5. The department of management shall adopt rules to
34 administer this section and sections 331.423A and 331.423B
35 after consultation with the county finance committee.

1 Sec. 16. NEW SECTION. 331.423A BASE YEAR PROPERTY TAX
2 DOLLARS.

3 1. For purposes of calculating maximum property tax
4 dollars under section 331.423, the tentative maximum property
5 tax dollars for the fiscal year beginning July 1, 2000, for
6 general county services shall be calculated as provided in
7 this subsection. For purposes of the base year calculation,
8 the amount of property taxes levied for general county
9 services shall include the amounts levied for each fiscal year
10 for general county services pursuant to sections 331.423,
11 331.424, and 331.426, Code 2001, and exclude the amount of
12 property tax dollars levied for the purposes described in
13 section 331.423, subsection 4, and section 331.425 in each
14 fiscal year. For purposes of the base year calculation, the
15 amount of property taxes levied for rural county services
16 shall include the amounts levied for each fiscal year for
17 rural county services pursuant to sections 331.423, 331.424,
18 and 331.426, Code 2001, and exclude the amount of property tax
19 dollars levied for the purposes described in section 331.423,
20 subsection 4, and section 331.425 in each fiscal year.

21 a. The tentative maximum amount of property tax dollars
22 for general county services for taxes payable in the fiscal
23 year beginning July 1, 2000, shall be an amount equal to the
24 sum of the following, divided by three, and adjusted by the
25 amount in paragraph "b":

26 (1) The sum of the amount of property taxes levied for
27 general county services and the amount of property tax
28 replacement dollars received, the amount of revenues received
29 under section 99F.11 that were specifically designated for
30 property tax relief, and the amount of local sales and
31 services tax revenues received as property tax relief and
32 deposited in the general fund, all for the fiscal year
33 beginning July 1, 1997, times one and one hundred ten
34 thousandths.

35 (2) The sum of the amount of property taxes levied for

1 general county services and the amount of property tax
2 replacement dollars received, the amount of revenues received
3 under section 99F.11 that were specifically designated for
4 property tax relief, and the amount of local sales and
5 services tax revenues received as property tax relief and
6 deposited in the general fund, all for the fiscal year
7 beginning July 1, 1998, times one and eighty-nine thousandths.

8 (3) The sum of the amount of property taxes levied for
9 general county services and the amount of property tax
10 replacement dollars received, the amount of revenues received
11 under section 99F.11 that were specifically designated for
12 property tax relief, and the amount of local sales and
13 services tax revenues received as property tax relief and
14 deposited in the general fund, all for the fiscal year
15 beginning July 1, 1999, times one and sixty-seven thousandths.

16 b. The amount computed under the formula in paragraph "a"
17 shall be adjusted by subtracting the amount of the ending fund
18 balance differential for general county services as provided
19 in this paragraph. The ending fund balance differential for
20 general county services is the difference between the general
21 fund's ending balance for the fiscal year beginning July 1,
22 1999, and the general fund's ending balance for the fiscal
23 year beginning July 1, 1996, divided by three. However, for
24 purposes of this paragraph, the ending fund balance for the
25 fiscal year beginning July 1, 1996, and the fiscal year
26 beginning July 1, 1999, shall not include general obligation
27 bond proceeds deposited in the general fund.

28 2. For purposes of calculating maximum property tax
29 dollars under section 331.423, the tentative maximum property
30 tax dollars for the fiscal year beginning July 1, 2000, for
31 rural county services shall be calculated as provided in this
32 subsection.

33 a. The tentative maximum amount of property tax dollars
34 for rural county services for taxes payable in the fiscal year
35 beginning July 1, 2000, shall be an amount equal to the sum of

1 the following, divided by three, and adjusted by the amount in
2 paragraph "b":

3 (1) The sum of the amount of property taxes levied for
4 rural county services and the amount of property tax
5 replacement dollars received, the amount of revenues received
6 under section 99F.11 that were specifically designated for
7 property tax relief, and the amount of local sales and
8 services tax revenues received as property tax relief and
9 deposited in the rural services fund, all for the fiscal year
10 beginning July 1, 1997, times one and one hundred ten
11 thousandths.

12 (2) The sum of the amount of property taxes levied for
13 rural county services and the amount of property tax
14 replacement dollars received, the amount of revenues received
15 under section 99F.11 that were specifically designated for
16 property tax relief, and the amount of local sales and
17 services tax revenues received as property tax relief and
18 deposited in the rural services fund, all for the fiscal year
19 beginning July 1, 1998, times one and eighty-nine thousandths.

20 (3) The sum of the amount of property taxes levied for
21 rural county services and the amount of property tax
22 replacement dollars received, the amount of revenues received
23 under section 99F.11 that were specifically designated for
24 property tax relief, and the amount of local sales and
25 services tax revenues received as property tax relief and
26 deposited in the rural services fund, all for the fiscal year
27 beginning July 1, 1999, times one and sixty-seven thousandths.

28 b. The amount computed under the formula in paragraph "a"
29 shall be adjusted by subtracting the amount of the ending fund
30 balance differential for rural county services as provided in
31 this paragraph. The ending fund balance differential for
32 rural county services is the difference between the rural
33 services fund's ending balance for the fiscal year beginning
34 July 1, 1999, and the rural services fund's ending balance for
35 the fiscal year beginning July 1, 1996, divided by three.

1 3. a. The tentative maximum amount of property tax
2 dollars for general county services for taxes payable in the
3 fiscal year beginning July 1, 2001, is an amount equal to the
4 amount computed in subsection 1 times the annual price index
5 plus the amount of net new valuation taxes.

6 b. The tentative maximum amount of property tax dollars
7 for rural county services for taxes payable in the fiscal year
8 beginning July 1, 2001, is an amount equal to the amount
9 computed in subsection 2 times the annual price index plus the
10 amount of net new valuation taxes.

11 4. Each county shall calculate its tentative maximum
12 property tax dollars under this section on forms prescribed by
13 the department of management.

14 Sec. 17. NEW SECTION. 331.423B ENDING FUND BALANCE.

15 1. Budgeted ending fund balances on a cash basis for a
16 budget year in excess of twenty-five percent of budgeted
17 expenditures in either the general fund, county supplemental
18 fund, or rural services fund for that budget year shall be
19 explicitly reserved or designated for a specific purpose and
20 specifically described in the certified budget. The
21 description shall include the projected date that the
22 expenditures will be appropriated for the specific purpose. A
23 county is encouraged, but not required, to reduce budgeted,
24 unreserved, or undesignated ending fund balances for the
25 budget year to an amount equal to approximately twenty-five
26 percent of budgeted expenditures in the general fund, county
27 supplemental fund, and rural services fund for that budget
28 year unless a decision is certified by the state appeal board
29 ordering a reduction in the ending fund balance of any of
30 those funds. In a protest to the county budget under section
31 331.436, the county shall have the burden of proving that the
32 budgeted balances in excess of twenty-five percent are
33 reasonably likely to be appropriated for the explicitly
34 reserved or designated specific purpose by the date identified
35 in the certified budget. The excess budgeted balance for the

1 specific purpose shall be considered an increase in an item in
2 the budget for purposes of section 24.28.

3 2. For a county that has, as of June 30, 2001, reduced its
4 actual ending fund balance to less than twenty-five percent of
5 actual expenditures on a cash basis, additional property taxes
6 may be computed and levied as provided in this subsection.
7 The additional property tax levy amount is an amount not to
8 exceed twenty-five percent of actual expenditures from the
9 general fund and rural services fund for the fiscal year
10 beginning July 1, 2000, minus the combined ending fund
11 balances for those funds for that year. The amount of the
12 additional property taxes shall be divided between the general
13 fund and the rural services fund in proportion to the amount
14 of actual expenditures for general county services to total
15 actual expenditures for general and rural county services for
16 the fiscal year beginning July 1, 2000, and in proportion to
17 the amount of actual expenditures for rural county services to
18 total actual expenditures for general and rural county
19 services for the fiscal year beginning July 1, 2000. However,
20 the amount apportioned for general county services and for
21 rural county services shall not exceed for each fund twenty-
22 five percent of actual expenditures for the fiscal year
23 beginning July 1, 2000.

24 All or a portion of additional property tax dollars may be
25 levied for the purpose of increasing cash reserves for general
26 county services and rural county services in the budget year.
27 The additional property tax dollars authorized under this
28 subsection but not levied may be carried forward as unused
29 ending fund balance taxing authority until and for the fiscal
30 year beginning July 1, 2007. The amount carried forward, when
31 combined with unused taxing authority shall not exceed twenty-
32 five percent of the maximum amount of property tax dollars
33 available in the current fiscal year. Additionally, property
34 taxes that are levied as unused ending fund balance taxing
35 authority under this subsection may be the subject of a

1 protest under section 331.436 and the amount will be
2 considered an increase in an item in the budget for purposes
3 of section 24.28. The amount of additional property taxes
4 levied under this subsection shall not be included in the
5 computation of the maximum amount of property tax dollars
6 which may be certified and levied under section 331.423.

7 Sec. 18. Section 331.424, Code 2001, is amended by
8 striking the section and inserting in lieu thereof the
9 following:

10 331.424 AUTHORITY TO LEVY BEYOND MAXIMUM PROPERTY TAX
11 DOLLARS.

12 1. The board may certify additions to the maximum amount
13 of property tax dollars to be levied for a period of time not
14 to exceed two years if the proposition has been submitted at a
15 special election and received a favorable majority of the
16 votes cast on the proposition.

17 2. The special election is subject to the following:

18 a. The board must give at least thirty-two days' notice to
19 the county commissioner of elections that the special election
20 is to be held.

21 b. The special election shall be conducted by the county
22 commissioner of elections in accordance with law.

23 c. The proposition to be submitted shall be substantially
24 in the following form:

25 "Vote "yes" or "no" on the following: Shall the county of
26 _____ levy for an additional \$_____ each year for ____
27 years beginning July 1, _____, in excess of the statutory
28 limits otherwise applicable for the (general county services
29 or rural services) fund?"

30 d. The canvass shall be held beginning at one p.m. on the
31 second day which is not a holiday following the special
32 election.

33 e. Notice of the special election shall be published at
34 least once in a newspaper as specified in section 331.305
35 prior to the date of the special election. The notice shall

1 appear as early as practicable after the board has voted to
2 submit a proposition to the voters to levy additional property
3 tax dollars.

4 3. Registered voters in the county may vote on the
5 proposition to increase property taxes for the general fund in
6 excess of the statutory limit. Registered voters residing
7 outside the corporate limits of a city within the county may
8 vote on the proposition to increase property taxes for the
9 rural services fund in excess of the statutory limit.

10 4. The amount of additional property tax dollars certified
11 under this subsection shall not be included in the computation
12 of the maximum amount of property tax dollars which may be
13 certified and levied under section 331.423.

14 Sec. 19. Section 331.424B, Code 2001, is amended to read
15 as follows:

16 331.424B CEMETERY LEVY.

17 The board may levy annually a tax on all taxable property
18 in the county not to exceed six and three-fourths cents per
19 thousand dollars of the assessed value of all taxable property
20 in the county to repair and maintain all cemeteries under the
21 jurisdiction of the board including pioneer cemeteries and to
22 pay other expenses of the board or the cemetery commission as
23 provided in section 331.325. The proceeds of the tax levy
24 shall be credited to the ~~county-general~~ cemetery fund.

25 ~~Sections-444-25A-and-444-25B-do-not-apply-to-the-property-tax~~
26 ~~levied-or-expended-for-cemeteries-pursuant-to-section-331-325-~~

27 Sec. 20. Section 331.425, Code 2001, is amended by
28 striking the section and inserting in lieu thereof the
29 following:

30 331.425 COUNTY SUPPLEMENTAL FUND.

31 1. The county supplemental fund is established for the
32 following purposes:

33 a. Accounting for pension and related employee benefits as
34 provided by the department of management.

35 b. Accounting for tort liability insurance, property

1 insurance, and any other insurance that may be necessary in
2 the operation of the county, costs of a self-insurance
3 program, costs of a local government risk pool, and amounts
4 payable under any insurance agreements to provide or procure
5 such insurance, self-insurance program, or local government
6 risk pool.

7 c. Accounting for gifts or grants received by the county
8 for a particular purpose.

9 d. Accounting for money and property received and handled
10 by the county as trustee or custodian or in the capacity of an
11 agent.

12 2. County revenues from taxes and other sources for the
13 purposes described in this section shall be credited to the
14 county supplemental fund.

15 Sec. 21. Section 331.427, subsection 2, paragraph 1, Code
16 2001, is amended to read as follows:

17 1. Services listed in ~~section 331.424, subsection 1, and~~
18 section 331.554.

19 Sec. 22. Section 331.428, subsection 2, paragraph d, Code
20 2001, is amended by striking the paragraph.

21 Sec. 23. Section 331.429, subsection 1, Code 2001, is
22 amended by adding the following new paragraph:

23 NEW PARAGRAPH. f. Notwithstanding paragraphs "a" and "b",
24 transfers from the general fund or rural services fund in
25 accordance with this paragraph. The board may transfer
26 additional funds from the general fund or rural services fund
27 in excess of the amounts in paragraphs "a" and "b" if the
28 proposition has been submitted at a special election and
29 received a favorable majority of the votes cast on the
30 proposition. The board shall direct the county commissioner
31 of elections to submit the proposition at an election. The
32 board must give at least thirty-two days' notice to the county
33 commissioner of elections that the special election is to be
34 held. For a transfer from the general fund, registered voters
35 of the county may vote on the proposition. For a transfer

1 from the rural services fund, registered voters of the county
2 residing outside the corporate limits of a city within the
3 county may vote on the proposition. The proposition to be
4 submitted shall be substantially in the following form:

5 "Vote "yes" or "no" on the following question: Shall the
6 county of _____ transfer an additional \$_____ each year for
7 two years beginning July 1, _____, from the (general fund or
8 rural services fund) to the secondary road fund?"

9 Notice of the special election shall be published at least
10 once in a newspaper in the manner provided in section 331.305.
11 Notice of the special election shall appear as early as
12 practicable after the board has voted to submit a proposition
13 to the voters to transfer funds from the general fund or rural
14 services fund to the secondary road fund.

15 If a majority of the votes cast are in favor of the
16 proposition, the board shall certify the results of the
17 election to the department of management and transfer the
18 approved amount to the secondary road fund in the appropriate
19 fiscal year.

20 Sec. 24. Section 425A.2, subsection 4, paragraph d, Code
21 2001, is amended to read as follows:

22 d. If the owner is an authorized farm corporation, a
23 shareholder or the shareholder's spouse who owns at least
24 fifty-one fifty percent of the stock of the authorized farm
25 corporation or the shareholder's spouse.

26 Sec. 25. Section 425A.2, subsection 4, paragraph e, Code
27 2001, is amended to read as follows:

28 e. If the owner is an individual who leases the tract to a
29 family farm corporation, a shareholder of the corporation if
30 the combined stock of the family farm corporation owned by the
31 owner of the tract and persons related to the owner as
32 enumerated in paragraph "a" is equal to at least fifty-one
33 fifty percent of the stock of the family farm corporation.

34 Sec. 26. Section 425A.2, subsection 4, paragraph f, Code
35 2001, is amended to read as follows:

1 f. If the owner is an individual who leases the tract to a
2 partnership, a partner if the combined partnership interest
3 owned by a designated person as defined in paragraph "a" is
4 equal to at least fifty-one fifty percent of the ownership
5 interest of the partnership.

6 Sec. 27. Section 427.1, subsection 19, Code 2001, is
7 amended by adding the following new unnumbered paragraph after
8 unnumbered paragraph 8:

9 NEW UNNUMBERED PARAGRAPH. Pollution-control property used
10 for purposes relating to the care and feeding of livestock as
11 defined in section 169C.1 shall be limited to the first two
12 hundred thousand dollars in assessed value, unless an owner of
13 the pollution-control property is any of the following:

14 a. The owner of agricultural land which is eligible for
15 the family farm property tax credit as provided in chapter
16 425A.

17 b. Actively engaged in farming as defined in section 10.1.

18 c. A networking farmers entity as defined in section 10.1
19 or a member of a networking farmers entity.

20 Sec. 28. Section 331.426, Code 2001, is repealed.

21 Sec. 29. APPLICABILITY DATES. Sections 24 through 26 of
22 this Act apply to credits applied for on or after July 1,
23 2001. Section 27 of this Act applies to exemptions first
24 applied for on or after July 1, 2001. The remainder of this
25 Act applies to the fiscal year beginning July 1, 2002, and all
26 subsequent fiscal years.

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SENATE FILE 514**H-1842**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 15, line 21, by inserting after the word
4 "fund's" the following: "unreserved, undesignated".
5 2. Page 15, line 22, by inserting after the word
6 "fund's" the following: "unreserved, undesignated".
7 3. Page 15, line 23, by striking the words
8 "However, for" and inserting the following: "For".
9 4. Page 16, line 33, by inserting after the word
10 "fund's" the following: "unreserved, undesignated".
11 5. Page 16, line 34, by inserting after the word
12 "fund's" the following: "unreserved, undesignated".
By JOCHUM of Dubuque

H-1842 FILED MAY 1, 2001**SENATE FILE 514****H-1843**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 14, by striking lines 11 through 14, and
4 inserting the following: "331.424, and 331.426, Code
5 2001. However, the amount levied for the purposes
6 described in section 331.425 shall not be included if
7 it was levied for under section 331.424, Code 2001.
8 For purposes of the base year calculation, the".
9 2. Page 14, by striking lines 18 through 20, and
10 inserting the following: "and 331.426, Code 2001.
11 However, the amount levied for the purposes described
12 in section 331.425 shall not be included if it was
13 levied for under section 331.424, Code 2001. For
14 purposes of the base year calculation, amounts
15 certified and levied in each fiscal year pursuant to
16 sections 331.424A, 331.424B, 331.424C, and 331.430,
17 and for any capital projects fund, shall not be
18 included."

By WINCKLER of Scott**H-1843** FILED MAY 1, 2001**SENATE FILE 514****H-1844**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 17, line 15, by striking the words "on a
4 cash basis".
5 2. Page 18, line 5, by striking the words "on a
6 cash basis".

By WINCKLER of Scott**H-1844** FILED MAY 1, 2001

SENATE FILE 514**H-1862**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 1, by striking lines 1 through 5.
4 2. By striking page 5, line 25 through page 23,
5 line 5.
6 3. Page 23, by striking line 20.
7 4. Page 23, by striking lines 21 through 23, and
8 inserting the following:
9 "Sec. ____ . APPLICABILITY DATES. Section 27 of
10 this Act, amending section 427.1, subsection 19,
11 applies to exemptions first".
12 5. Title page, by striking lines 1 and 2, and
13 inserting the following: "An Act relating to taxation
14 by establishing the Iowa commission on state and local
15 taxation and amending the pollution control property
16 tax exemption and providing for the Act's
17 applicability."

By FREVERT of Palo Alto

H-1862 FILED MAY 1, 2001

SENATE FILE 514**H-1865**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 10, by striking lines 8 through 18.
4 2. Page 11, by striking lines 10 through 21.
5 3. By renumbering, relettering, and redesignating
6 as necessary.

By RICHARDSON of Warren

H-1865 FILED MAY 1, 2001

SENATE FILE 514**H-1866**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 19, by inserting after line 6, the
4 following:
5 "3. This section does not apply to counties whose
6 populations increased from 1990 to 2000 less than an
7 amount equal to twenty-five percent of the statewide
8 increase in population from 1990 to 2000, according to
9 the official United States decennial census."
10 2. By renumbering as necessary.

By OSTERHAUS of Jackson

H-1866 FILED MAY 1, 2001

SENATE FILE 514**H-1867**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 10, by striking lines 8 through 18.
4 2. Page 11, by striking lines 10 through 21, and
5 inserting the following:
6 "() That portion of incremental taxable
7 valuation located in an urban renewal area within
8 which a municipality is dividing taxes, to the extent
9 the incremental valuation has not been released for
10 the budget year."
11 3. By renumbering and correcting internal
12 references as necessary.

By RICHARDSON of Warren**H-1867 FILED MAY 1, 2001****SENATE FILE 514****H-1868**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 19, by inserting after line 6, the
4 following:
5 "3. This section does not apply to the ten
6 counties with the lowest populations in the state,
7 according to the latest United States decennial
8 census."
9 2. By renumbering as necessary.

By REYNOLDS of Van Buren**H-1868 FILED MAY 1, 2001****SENATE FILE 514****H-1869**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 23, by inserting after line 26, the
4 following:
5 " . EFFECTIVE DATES. Sections 1 and 9 through
6 23 of this Act take effect on July 1 following
7 submission of a final report of the Iowa commission on
8 state and local taxation to the general assembly. The
9 remainder of this Act takes effect July 1, 2001."
10 2. Title page, line 2, by inserting after the
11 word "applicability" the following: "and providing
12 effective date provisions".
13 3. By renumbering as necessary.

By REYNOLDS of Van Buren**H-1869 FILED MAY 1, 2001**

SENATE FILE 514**H-1870**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 13, by inserting after line 32, the
4 following:

5 "4A. In addition, the following property taxes
6 certified for deposit in the general fund or rural
7 services fund shall not be counted against the maximum
8 amount of property tax dollars that may be certified
9 for the fiscal year under subsection 3:

10 a. The first twenty-seven cents per thousand
11 dollars of taxable value levied for conservation and
12 environmental protection.

13 b. The first thirty cents per thousand dollars of
14 taxable value levied for fire protection.

15 c. The first forty and one-half cents per thousand
16 dollars of taxable value levied for a benefited fire
17 district.

18 d. The first six and three-fourths cents per
19 thousand dollars of taxable value levied for a county
20 fair.

21 e. The first fifty-four cents per thousand dollars
22 of taxable value levied for county libraries.

23 f. The first fifty-four cents per thousand dollars
24 of taxable value levied for constructing and equipping
25 a county hospital facility."

By CONNORS of Polk

H-1870 FILED MAY 1, 2001

SENATE FILE 514**H-1871**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 13, by inserting before line 33, the
4 following:

5 "____. For purposes of this section and section
6 25B.2, subsection 3, it shall be considered an
7 imposition of a state mandate if the maximum property
8 tax dollars limitation impairs the ability of a county
9 to levy property taxes to contribute matching funds,
10 or to reach a threshold level of local funding, in
11 order to receive federal funding. The state shall
12 appropriate funds necessary to reimburse to each
13 county an amount equal to the amount of federal or
14 state matching funds lost due to the inability of the
15 county to achieve threshold or matching funds
16 requirements."

17 2. By renumbering, redesignating, and correcting
18 internal references as necessary.

By WINCKLER of Scott

H-1871 FILED MAY 1, 2001

SENATE FILE 514**H-1872**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 13, by inserting after line 32, the
4 following:
5 "In addition, property taxes certified for law
6 enforcement purposes relating to destruction of
7 facilities and materials used to produce
8 methamphetamine, to enforcement of child pornography
9 laws, to enforcement of laws relating to domestic
10 violence, and to enforcement of laws relating to child
11 abuse or child endangerment are not counted against
12 the maximum amount of property tax dollars that may be
13 certified for the fiscal year under subsection 3."

By OSTERHAUS of Jackson

H-1872 FILED MAY 1, 2001

SENATE FILE 514**H-1834**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 9, by striking lines 28 and 29, and
4 inserting the following: "annual price index shall
5 not be less than zero. The change shall then be added
6 to one".

By O'BRIEN of Boone

H-1834 FILED MAY 1, 2001

SENATE FILE 514**H-1874**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 13, by inserting after line 32, the
4 following:

5 "5. The board of supervisors may seek an
6 adjustment in budget year property tax dollars for
7 either general county services or rural county
8 services or both, by appealing to the county finance
9 committee created in chapter 333A."

10 2. Page 13, line 33, by striking the figure "5."
11 and inserting the following: "6."

12 3. Page 17, by inserting after line 10, the
13 following:

14 "4. The board of supervisors may seek an
15 adjustment in base year property tax dollars for
16 either general county services or rural county
17 services or both, by appealing to the county finance
18 committee created in chapter 333A."

19 4. Page 17, line 11, by striking the figure "4."
20 and inserting the following: "5."

21 5. Page 22, by inserting after line 19, the
22 following:

23 "Sec. ____ . Section 333A.4, Code 2001, is amended
24 by adding the following new subsections:

25 NEW SUBSECTION. 5A. Hear appeals from a county
26 seeking an adjustment in the base year property tax
27 dollars for either general county services or rural
28 county services, or both, as calculated pursuant to
29 section 331.423A. The committee may allow an
30 adjustment for either general county services or rural
31 county services, or both, if the committee determines
32 that unusual circumstances would result in an inequity
33 to the county if no adjustment were allowed.

34 NEW SUBSECTION. 5B. Hear appeals from a county
35 seeking an adjustment in budget year property tax
36 dollars for either general county services or rural
37 county services, or both, as calculated pursuant to
38 section 331.423A. The committee may allow an
39 adjustment for either general county services or rural
40 county services, or both, if the committee determines
41 that unusual circumstances create an unusual need for
42 additional funds.

43 NEW SUBSECTION. 5C. Report annually to the
44 general assembly regarding county budgets and county
45 budget limitations, including any recommended changes
46 in laws relating to county budgets and county budget
47 limitations and the reasons for the committee's
48 recommendations.

49 Sec. ____ . NEW SECTION. 333A.5 ADDITIONAL POWERS.
50 The committee may recommend the revision of any

H-1874

H-1874

Page 2

1 rules, regulations, directives, or forms relating to
2 the implementation of county budgets and budget
3 limitations, confer with county officials or their
4 representatives, and make recommendations relating to
5 any county budgeting or accounting matters, and direct
6 the department of management to conduct studies and
7 investigations of county costs generally or in any
8 county."

9 6. By renumbering as necessary.

By GREIMANN of Story

H-1874 FILED MAY 1, 2001

SENATE FILE 514**H-1880**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 17, line 16, by striking the word
4 "twenty-five" and inserting the following: "thirty".

5 2. Page 17, line 25, by striking the word
6 "twenty-five" and inserting the following: "thirty".

7 3. Page 17, line 32, by striking the word
8 "twenty-five" and inserting the following: "thirty".

9 4. Page 18, line 4, by striking the word "twenty-
10 five" and inserting the following: "thirty".

11 5. Page 18, line 8, by striking the word "twenty-
12 five" and inserting the following: "thirty".

13 6. Page 18, lines 21 and 22, by striking the word
14 "twenty-five" and inserting the following: "thirty".

By TREMMEL of Wapello

H-1880 FILED MAY 1, 2001

SENATE FILE 514**H-1881**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 13, line 29, by inserting after the word
4 "proceeds," the following: "any temporary increase
5 approved pursuant to section 331.426,".

6 2. Page 23, by striking line 20.

7 3. By renumbering as necessary.

By GREIMANN of Story

H-1881 FILED MAY 1, 2001

SENATE FILE 514**H-1882**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 13, by inserting before line 33, the
4 following:

5 "____. For purposes of this section and section
6 25B.2, subsection 3, it shall be considered an
7 imposition of a state mandate if the maximum property
8 tax dollars limitation impairs the ability of a county
9 to levy property taxes to contribute matching funds in
10 order to receive federal funding. If the state does
11 not appropriate the necessary matching funds, property
12 taxes levied by the county to provide matching funds
13 shall not be counted against the maximum amount of
14 property tax dollars that may be certified for a
15 fiscal year under subsection 3."

16 2. By renumbering, redesignating, and correcting
17 internal references as necessary.

By BUKTA of Clinton

H-1882 FILED MAY 1, 2001

SENATE FILE 514**H-1883**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 23, line 12, by inserting after the word
4 "value" the following: "per owner on a statewide
5 basis".

6 2. Page 23, by inserting after line 19, the
7 following:

8 "For purposes of establishing the valuation
9 limitation under this subsection, if more than one
10 person has an ownership interest in the property, the
11 multiple owners shall be considered one owner so that
12 the two hundred thousand dollar limitation cannot be
13 exceeded as a result of multiple ownership."

By KREIMAN of Davis

ARNOLD of Lucas

H-1883 FILED MAY 1, 2001

SENATE FILE 514**H-1884**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 15, line 27, by inserting after the word
4 "fund" the following: "and shall not include revenues
5 received under section 99F.11 deposited in the general
6 fund".

7 2. Page 16, line 35, by inserting after the word
8 "three." the following: "However, for purposes of
9 this paragraph, the ending fund balance for the fiscal
10 year beginning July 1, 1996, and for the fiscal year
11 beginning July 1, 1999, shall not include revenues
12 received under section 99F.11 deposited in the general
13 fund."

By HOUSER of Pottawattamie
HANSEN of Pottawattamie
DRAKE of Pottawattamie

H-1884 FILED MAY 1, 2001

SENATE FILE 514**H-1897**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. NEW SECTION. 25B.5A UNFUNDED STATE
6 MANDATES -- EFFECT.

7 If, on or after July 1, 2001, a state mandate is
8 enacted by the general assembly, or otherwise imposed,
9 on a political subdivision and the state mandate
10 requires a political subdivision to engage in any new
11 activity, to provide a new service, or to provide any
12 service beyond that required by any law enacted prior
13 to July 1, 2001, and the state does not appropriate
14 moneys to fully fund the cost of the state mandate as
15 identified pursuant to section 25B.5, subsections 1
16 and 2, the political subdivision is not required to
17 perform the activity or provide the service and the
18 political subdivision shall not be subject to any
19 liabilities imposed by the state or the imposition of
20 any fines or penalties for the failure to comply with
21 the state mandate.

22 Sec. 2. NEW SECTION. 28L.1 IOWA COMMISSION ON
23 STATE AND LOCAL TAXATION.

24 1. An Iowa commission on state and local taxation
25 is created which shall consist of fourteen members
26 appointed as follows:

27 a. Three senators appointed by the majority leader
28 of the senate, one of whom shall be nominated by the
29 minority leader of the senate. Two of the appointees
30 shall be residents of a county with a population of
31 less than forty thousand.

32 b. Three representatives appointed by the speaker
33 of the house, one of whom shall be nominated by the
34 minority leader of the house. Two of the appointees
35 shall be residents of a county with a population of
36 less than forty thousand.

37 c. One member appointed by the Iowa state
38 association of counties.

39 d. One member appointed by the Iowa league of
40 cities.

41 e. One member appointed by the Iowa association of
42 school boards.

43 f. One member from an organization representing
44 agricultural interests appointed jointly by the
45 majority leader of the senate and the speaker of the
46 house.

47 g. One member from an organization representing
48 taxpayers and appointed jointly by the majority leader
49 of the senate and the speaker of the house.

50 h. One member from an organization representing

H-1897

H-1897

Page 2

1 business taxpayers and appointed jointly by the
2 majority leader of the senate and the speaker of the
3 house.

4 i. One member representing small business owners
5 appointed jointly by the majority leader of the senate
6 and the speaker of the house.

7 j. The director of the department of management or
8 the director's designee.

9 2. In making all appointments, consideration shall
10 be given to gender, race, or ethnic representation,
11 population and demographic factors, and representation
12 of different geographic regions. Appointments made
13 under subsection 1, paragraphs "c" through "e", are
14 not subject to section 69.16 or 69.16A.

15 3. Members of the commission shall hold office for
16 four years beginning June 1 of the year of appointment
17 and until their successors are appointed, except that
18 three initial appointees shall be appointed for one
19 year, three initial appointees for two years, four
20 initial appointees for three years, and three initial
21 appointees for four years. The commission shall
22 conduct its organizational meeting no later than
23 September 1, 2001, and at that meeting shall elect a
24 chairperson to serve until May 2002.

25 4. Legislative members of the commission are
26 eligible for per diem and expenses as provided in
27 section 2.10. Other members of the commission shall
28 be reimbursed for actual and necessary expenses
29 incurred in performance of their duties. Members may
30 also be eligible to receive compensation as provided
31 in section 7E.6.

32 5. A majority of the commission members shall
33 constitute a quorum. For the purpose of conducting
34 business, a majority vote of the commission shall be
35 required. Beginning in May 2002, the commission shall
36 meet in May of each year for the purpose of electing
37 one of its members as chairperson. The commission
38 shall meet quarterly and at other times as necessary
39 at the call of the chairperson or when any five
40 members of the commission file a written request with
41 the chairperson for a meeting. Written notice of the
42 time and place of each meeting shall be given to each
43 member of the commission.

44 6. The commission may establish committees, as it
45 deems advisable and feasible, whose membership shall
46 include at least two members of the commission, but
47 only the commission may take final action on a
48 proposal or recommendation of a committee.

49 7. Any vacancy shall be filled in the same manner
50 as regular appointments are made for the unexpired

H-1897

H-1897

Page 3

1 portion of the regular term. A member of the
2 commission may be removed for any of the causes and in
3 the manner provided in chapter 66.

4 Sec. 3. NEW SECTION. 28L.2 STAFF AND FACILITIES.

5 The commission and committees established by the
6 commission may accept technical and operational
7 assistance from the staff of the legislative service
8 bureau and the legislative fiscal bureau, other state
9 or federal agencies, units of local governments, or
10 any other public or private source. The directors of
11 the legislative service bureau and the legislative
12 fiscal bureau may assign professional, technical,
13 legal, clerical, or other staff, as necessary and
14 authorized by the legislative council for continued
15 operation of the commission. However, technical and
16 operational assistance provided by the bureaus shall
17 be provided within existing appropriations made to or
18 with existing resources of the legislative service
19 bureau and legislative fiscal bureau. The legislative
20 council may also provide to the commission available
21 facilities and equipment as requested by the
22 commission. The legislative council shall provide
23 funding for consulting services should the commission
24 deem it appropriate.

25 Sec. 4. NEW SECTION. 28L.3 REVIEW OF STATE AND
26 LOCAL REVENUE AND SERVICES.

27 1. The commission shall conduct a review of the
28 following:

29 a. Revenue sources available to local governments,
30 including taxes, fees, state appropriations, and
31 federal moneys.

32 b. Revenue sources available to the state,
33 including taxes, fees, and federal moneys, and the
34 portion of state revenues annually appropriated, or
35 otherwise disbursed, to local governments.

36 c. Services provided by local governments,
37 including those provided at the discretion of a local
38 government and those mandated by federal or state
39 statutes and regulations.

40 2. In conducting its review of revenue sources,
41 the commission shall study state and local taxes from
42 the standpoint of equity, neutrality, competitiveness,
43 simplicity, and stability.

44 3. The commission shall hold public hearings to
45 allow persons and organizations to be heard.

46 4. The commission shall submit a report to the
47 general assembly on the status of the review no later
48 than March 15, 2002. The status report shall
49 summarize the commission's activities to date and may
50 include such other information that the commission

H-1897

H-1897

Page 4

1 deems relevant and necessary.

2 5. a. The commission shall submit a final report
3 to the general assembly no later than January 15,
4 2006.

5 b. The final report shall include the following:

6 (1) A statement of goals that the commission
7 believes are necessary to achieve principles of
8 taxation agreed upon by the committee.

9 (2) Any strategies formulated by the commission
10 that consist of recommended methods of state and local
11 taxation, specific structural changes, and any
12 modifications to the current system of state and local
13 taxation.

14 (3) Such other information that the commission
15 deems relevant and necessary.

16 6. This section shall not be construed to preclude
17 the enactment of legislation that eliminates or
18 reduces any state or local government tax during the
19 period the Iowa commission on state and local taxation
20 is conducting the review required by this section.

21 Sec. 5. NEW SECTION. 28L.4 DUTIES OF THE
22 COMMISSION.

23 The commission shall:

24 1. Conduct the review as required in section
25 28L.3.

26 2. Monitor legislative or administrative action on
27 recommendations in the report required in section
28 28L.3.

29 3. Annually report on the state of local
30 governments in Iowa.

31 4. Annually report on state and federal issues
32 relating to local government that have a potential
33 fiscal impact on local governments.

34 5. Annually report on court decisions having an
35 impact on state and local government revenue or
36 services.

37 6. Select participants to the pilot projects
38 established in sections 331.440B and 384.22A and
39 report to the general assembly as required in those
40 sections.

41 7. The reports in subsections 3, 4, and 5 shall be
42 filed with the governor, president of the senate,
43 speaker of the house, and the majority and minority
44 leaders of each house, and shall be made available to
45 legislators and the public upon request. The reports
46 must be submitted no later than January 15 of each
47 year. The report in subsection 6 shall be filed with
48 the general assembly on or before January 1, 2005.

49 Sec. 6. NEW SECTION. 28L.5 INFORMATION.

50 The commission may request from any state agency or

H-1897

H-1897

Page 5

1 official the information and assistance as needed to
2 perform the duties of the commission. A state agency
3 or official shall furnish the information or
4 assistance requested within the authority and
5 resources of the state agency or official. This
6 section does not allow the examination or copying of
7 any public record which is required by law to be kept
8 confidential.

9 Sec. 7. NEW SECTION. 28L.6 FUTURE REPEAL.

10 This chapter is repealed effective July 1, 2006.

11 Sec. 8. Section 331.325, Code 2001, is amended to
12 read as follows:

13 331.325 CONTROL AND MAINTENANCE OF PIONEER
14 CEMETERIES -- CEMETERY COMMISSION.

15 1. As used in this section, "pioneer cemetery"
16 means a cemetery where there have been six or fewer
17 burials in the preceding fifty years.

18 2. Each county board of supervisors may adopt an
19 ordinance assuming jurisdiction and control of pioneer
20 cemeteries in the county. The board shall exercise
21 the powers and duties of township trustees relating to
22 the maintenance and repair of cemeteries in the county
23 as provided in sections 359.28 through 359.41 except
24 that the board shall not certify a tax levy pursuant
25 to section 359.30 or 359.33 and except that the
26 maintenance and repair of all cemeteries under the
27 jurisdiction of the county including pioneer
28 cemeteries shall be paid from the county general fund
29 or the cemetery fund established in section 331.440H,
30 as applicable. The maintenance and improvement
31 program for a pioneer cemetery may include restoration
32 and management of native prairie grasses and
33 wildflowers.

34 3. In lieu of management of the cemeteries, the
35 board of supervisors may create, by ordinance, a
36 cemetery commission to assume jurisdiction and
37 management of the pioneer cemeteries in the county.
38 The ordinance shall delineate the number of
39 commissioners, the appointing authority, the term of
40 office, officers, employees, organizational matters,
41 rules of procedure, compensation and expenses, and
42 other matters deemed pertinent by the board. The
43 board may delegate any power and duties relating to
44 cemeteries which may otherwise be exercised by
45 township trustees pursuant to sections 359.28 through
46 359.41 to the cemetery commission except the
47 commission shall not certify a tax levy pursuant to
48 section 359.30 or 359.33 and except that the expenses
49 of the cemetery commission shall be paid from the
50 county general fund or the cemetery fund established

H-1897

H-1897

Page 6

1 in section 331.440H, as applicable.

2 4. Notwithstanding sections 359.30 and 359.33, the
3 costs of management, repair, and maintenance of
4 pioneer cemeteries shall be paid from the county
5 general fund or the cemetery fund established in
6 section 331.440H, as applicable.

7 Sec. 9. NEW SECTION. 331.404 COUNTY FINANCIAL
8 MANAGEMENT PLAN.

9 Each county shall prepare a financial management
10 plan for the county for use in budget planning. The
11 financial management plan shall contain a set of
12 financial policies for use by counties in budget
13 planning. The county financial management plan shall
14 be prepared in a manner which will assist counties in
15 identifying budgeting goals, fiscal and service
16 planning strategies, and revenue targets. County
17 financial management planning shall be completed on
18 forms prepared by the department of management and
19 approved by the county finance committee in
20 consultation with the Iowa state association of county
21 supervisors, the Iowa state association of county
22 auditors, and the public.

23 Copies of the financial management plan for a
24 county shall be maintained as a public record at the
25 county auditor's office and shall be filed with the
26 state appeal board in the same manner and at the same
27 time that certified budgets are filed under section
28 24.17.

29 Sec. 10. NEW SECTION. 331.423A ENDING FUND
30 BALANCE.

31 Effective for a fiscal year beginning on or after
32 July 1, 2005, actual ending fund balances shall not
33 exceed twenty-five percent of actual expenditures in
34 the previous fiscal year for either the general fund
35 or the rural services fund. Actual ending fund
36 balances for a fiscal year in excess of twenty-five
37 percent of actual expenditures in the previous fiscal
38 year shall be reserved or designated for a specific
39 purpose and specifically described in the certified
40 budget. The excess actual balance for that specific
41 purpose shall be considered an increase in an item in
42 the budget for the following fiscal year for purposes
43 of section 24.28.

44 Counties shall reach the twenty-five percent fund
45 balance limitation by the fiscal year ending June 30,
46 2005, and shall maintain the balance at this level or
47 at a lower level as recorded in the annual financial
48 report. A county shall not exceed a balance greater
49 than five percent above the twenty-five percent fund
50 balance limitation. If a county exceeds the

H-1897

-6-

H-1897

Page 7

1 limitation, in the second budget year following the
2 fiscal year that shows a fund balance exceeding the
3 limitation, the county shall implement a levy
4 reduction formula to offset the excess fund balance.

5 Up to ten percent of an amount reserved or
6 designated for a specific purpose may be used for a
7 purpose other than that described in the certified
8 budget. Such change in use shall be treated as an
9 amendment to the budget subject to section 331.435.
10 The board of supervisors may change the specific
11 purpose for which all or a portion of funds in excess
12 of ten percent are reserved or designated if the
13 proposition to change the specific purpose has been
14 submitted at a special election and received a
15 favorable majority of the votes cast on the
16 proposition. The special election shall be held in
17 the manner provided in section 331.425, except that if
18 the change in purpose is to the general services fund
19 ending balance, registered voters in the county may
20 vote on the proposition and if the change in purpose
21 is the rural services fund ending balance, registered
22 voters residing outside the corporate limits of a city
23 within the county may vote on the proposition.

24 Sec. 11. Section 331.429, subsection 1, Code 2001,
25 is amended by adding the following new paragraph:

26 NEW PARAGRAPH. f. Notwithstanding paragraphs "a"
27 and "b", transfers from the general fund or rural
28 services fund in accordance with this paragraph. The
29 board may transfer additional funds from the general
30 fund or rural services fund in excess of the amounts
31 in paragraphs "a" and "b" if the proposition has been
32 submitted at a special election and received a
33 favorable majority of the votes cast on the
34 proposition. The board shall direct the county
35 commissioner of elections to submit the proposition at
36 an election. The board must give at least thirty-two
37 days' notice to the county commissioner of elections
38 that the special election is to be held. For a
39 transfer from the general fund, registered voters of
40 the county may vote on the proposition. For a
41 transfer from the rural services fund, registered
42 voters of the county residing outside the corporate
43 limits of a city within the county may vote on the
44 proposition. The proposition to be submitted shall be
45 substantially in the following form:

46 "Vote "yes" or "no" on the following question:
47 Shall the county of _____ transfer an additional
48 \$ _____ each year for two years beginning July 1,
49 _____, from the (general fund or rural services fund)
50 to the secondary road fund?"

H-1897

-7-

H-1897

Page 8

1 Notice of the special election shall be published
2 at least once in a newspaper in the manner provided in
3 section 331.305. Notice of the special election shall
4 appear as early as practicable after the board has
5 voted to submit a proposition to the voters to
6 transfer funds from the general fund or rural services
7 fund to the secondary road fund.

8 If a majority of the votes cast are in favor of the
9 proposition, the board shall certify the results of
10 the election to the department of management and
11 transfer the approved amount to the secondary road
12 fund in the appropriate fiscal year.

PART 2A

COUNTY LEVIES, FUNDS, BUDGETS, AND
EXPENDITURES -- PILOT PROJECTSec. 12. NEW SECTION. 331.440B PILOT PROJECT.

17 For the fiscal year beginning July 1, 2002, through
18 the fiscal year ending June 30, 2005, a county may
19 participate in a pilot project under this part. To
20 participate, a county board of supervisors must adopt
21 a resolution in favor of participation in the pilot
22 project and must forward the resolution to the Iowa
23 state association of counties and the commission on
24 state and local taxation by September 1, 2001. The
25 commission may select participating counties based on
26 population, property valuations, and other factors
27 deemed appropriate by the commission. No more than a
28 total of ten counties and cities may participate in a
29 pilot project under this part or under chapter 384,
30 division IIA.

31 On or before January 1, 2005, the commission shall
32 report on the pilot project to the general assembly.
33 The report shall include such data and information
34 necessary to allow the general assembly to evaluate
35 the pilot project.

36 Sections 331.421, 331.423, 331.424, 331.424C
37 through 331.426, do not apply to this part.

38 References in the Code of Iowa to these sections do
39 not apply to counties participating in the pilot
40 project under this part.

Sec. 13. NEW SECTION. 331.440C DEFINITIONS.

42 As used in this part, unless the context otherwise
43 requires:

44 1. "Committee" means the county finance committee
45 established in chapter 333A.

46 2. "Debt service" means expenditures for servicing
47 the county's debt.

48 3. "Debt service levy" means a levy authorized and
49 limited by section 331.422, subsection 3.

50 4. "Emergency services levy" means a levy

H-1897

-8-

H-1897

Page 9

1 authorized and limited by section 331.424C.

2 5. "Fiscal year" means the period of twelve months
3 beginning July 1 and ending on the following June 30.

4 6. "General county services" means the services
5 which are primarily intended to benefit all residents
6 of a county, including secondary road services, but
7 excluding services financed by other statutory funds.

8 7. "Item" means a budgeted expenditure,
9 appropriation, or cash reserve from a fund for a
10 service area, program, program element, or purpose.

11 8. "Rural county services" means the services
12 which are primarily intended to benefit those persons
13 residing in the county outside of incorporated city
14 areas, including secondary road services, but
15 excluding services financed by other statutory funds.

16 9. "Secondary road services" means the services
17 related to secondary road construction and
18 maintenance, excluding debt service and services
19 financed by other statutory funds.

20 Sec. 14. NEW SECTION. 331.440D PROPERTY TAX
21 DOLLARS -- MAXIMUMS.

22 1. Annually, the board shall determine separate
23 property tax levy limits to pay for general county
24 services and rural county services in accordance with
25 this section. The property tax levies separately
26 certified for general county services and rural county
27 services in accordance with section 331.434 shall not
28 exceed the amount determined under this section.

29 2. For purposes of this section and sections
30 331.423A and 331.423B:

31 a. "Annual price index" means the change, computed
32 to four decimal places, between the preliminary price
33 index for the third quarter of the calendar year
34 preceding the calendar year in which the fiscal year
35 starts and the revised price index for the third
36 quarter of the previous calendar year as published in
37 the same issue in which such preliminary price index
38 is first published. The price index used shall be the
39 state and local government chain-type price index used
40 in the quantity and price indexes for gross domestic
41 product as published by the United States department
42 of commerce. The annual price index shall not be less
43 than zero and shall not exceed four hundredths. The
44 change shall then be added to one to create a
45 multiplier for the annual price index. For the fiscal
46 year beginning July 1, 2002, the annual price index as
47 defined in this paragraph, for the purposes of
48 determining the tentative maximum property tax dollars
49 for general county services and rural county services
50 under section 331.423, subsection 3, shall be the same

H-1897

H-1897

Page 10

1 as the annual price index certified for the fiscal
2 year beginning July 1, 2001, as applied in section
3 331.423A, subsection 3.

4 b. "Boundary adjustment" means annexation,
5 severance, incorporation, or discontinuance as those
6 terms are defined in section 368.1.

7 c. "Budget year" is the fiscal year beginning
8 during the calendar year in which a budget is first
9 certified.

10 d. "Current fiscal year" is the fiscal year ending
11 during the calendar year in which a budget is first
12 certified.

13 e. "Local sales and services taxes" means local
14 sales and services taxes imposed under the authority
15 of chapter 422B.

16 f. "Net new valuation taxes" means the amount of
17 property tax dollars equal to the tentative maximum
18 general rate for purposes of the general fund, or the
19 tentative maximum rural rate for purposes of the rural
20 services fund, times the increase from the previous
21 fiscal year in taxable valuation due to the following:

22 (1) Net new construction excluding all incremental
23 valuation that is released in any one year from an
24 urban renewal area for which taxes are being divided
25 under section 403.19 if the property remains part of
26 the urban renewal area.

27 (2) Additions or improvements to existing
28 structures.

29 (3) Remodeling of existing structures for which a
30 building permit is required.

31 (4) Net boundary adjustment.

32 (5) A municipality no longer dividing tax revenues
33 in an urban renewal area as provided in section
34 403.19, to the extent that the incremental valuation
35 released is due to new construction or revaluation on
36 property newly constructed after the division of
37 revenue begins.

38 (6) That portion of taxable property located in an
39 urban revitalization area on which an exemption was
40 allowed and such exemption has expired.

41 g. "Property tax replacement dollars" means
42 revenues received under sections 427B.17 through
43 427B.19D, revenues received under chapter 437A,
44 subchapter II, revenues received under section 99F.11
45 that are specifically designated for property tax
46 relief in the current fiscal year, and amounts
47 appropriated by the general assembly for property tax
48 relief first enacted for fiscal years beginning on or
49 after July 1, 2001.

50 h. "Tentative maximum general rate" means the

H-1897

H-1897

Page 11

1 amount calculated in subsection 3, paragraph "b",
2 subparagraph (1), divided by the net taxable valuation
3 in the county. For purposes of this paragraph, "net
4 taxable valuation" is the amount of taxable valuation
5 in the county minus the amount of taxable valuation
6 used to calculate net new valuation taxes.

7 i. "Tentative maximum rural rate" means the amount
8 calculated in subsection 3, paragraph "c",
9 subparagraph (1), divided by the net taxable valuation
10 in the unincorporated area of the county. For
11 purposes of this paragraph, "net taxable valuation" is
12 the amount of taxable valuation in the unincorporated
13 area of the county minus the amount of taxable
14 valuation in the unincorporated area of the county
15 used to calculate net new valuation taxes.

16 j. "Unused taxing authority" means the maximum
17 amount of property tax dollars calculated under
18 subsection 3 for a fiscal year minus the amount
19 actually levied under this section in that fiscal
20 year. Unused taxing authority may be carried forward
21 to the following fiscal year. However, the amount of
22 unused taxing authority which may be carried forward
23 shall not exceed twenty-five percent of the maximum
24 amount of property tax dollars available in the
25 current fiscal year.

26 3. a. Effective for and after the fiscal year
27 beginning July 1, 2002, the maximum amount of property
28 tax dollars levied which may be certified by a county
29 for general county services and rural county services
30 shall be the tentative maximum property tax dollars
31 calculated under paragraphs "b" and "c", respectively,
32 and adjusted by the amounts in paragraphs "d", "e",
33 and "f".

34 b. The tentative maximum property tax dollars for
35 general county services is an amount equal to the sum
36 of the following:

37 (1) The current fiscal year's tentative maximum
38 property tax dollars for general county services minus
39 the unused taxing authority carried forward from the
40 previous fiscal year times the annual price index.

41 (2) The amount of net new valuation taxes.

42 (3) The amount of unused taxing authority carried
43 forward from the previous fiscal year.

44 c. The tentative maximum property tax dollars for
45 rural county services is an amount equal to the sum of
46 the following:

47 (1) The current fiscal year's tentative maximum
48 property tax dollars for rural county services minus
49 the unused taxing authority carried forward from the
50 previous fiscal year times the annual price index.

H-1897

-11-

H-1897

Page 12

1 (2) The amount of net new valuation taxes.
2 (3) The amount of unused taxing authority carried
3 forward from the previous fiscal year.
4 d. Subtract the amount of property tax replacement
5 dollars to be received for the budget year that will
6 be deposited in the general fund or the rural services
7 fund, as applicable.
8 e. Subtract the amount of local sales and services
9 taxes for property tax relief estimated by the
10 department of revenue and finance to be received for
11 the budget year that will be deposited in the general
12 fund or the rural services fund, as applicable.
13 f. Subtract the amount of local sales and services
14 taxes received for property tax relief in the previous
15 fiscal year for the county general fund and rural
16 services fund, and add the amount of local sales and
17 services taxes that was budgeted for property tax
18 relief for each of those funds in that fiscal year.
19 4. Property taxes certified for deposit in the
20 mental health, mental retardation, and developmental
21 disabilities services fund in section 331.424A, the
22 emergency services fund in section 331.424C, the debt
23 service fund in section 331.430, the cemetery fund in
24 section 331.440H, the county supplemental fund in
25 section 331.440I, and any capital projects fund
26 established by the county for deposit of bond, loan,
27 or note proceeds, and any temporary increase approved
28 pursuant to section 331.440G, are not counted against
29 the maximum amount of property tax dollars that may be
30 certified for the fiscal year under subsection 3.
31 5. The department of management shall adopt rules
32 to administer this section and sections 331.423A and
33 331.423B after consultation with the county finance
34 committee.
35 Sec. 15. NEW SECTION. 331.440E BASE YEAR
36 PROPERTY TAX DOLLARS.
37 1. For purposes of calculating maximum property
38 tax dollars under section 331.423, the tentative
39 maximum property tax dollars for the fiscal year
40 beginning July 1, 2000, for general county services
41 shall be calculated as provided in this subsection.
42 For purposes of the base year calculation, the amount
43 of property taxes levied for general county services
44 shall include the amounts levied for each fiscal year
45 for general county services pursuant to sections
46 331.423, 331.424, and 331.426, Code 2001. However,
47 the amount levied for the purposes described in
48 section 331.425 shall not be included if it was levied
49 for under section 331.424, Code 2001. For purposes of
50 the base year calculation, the amount of property

H-1897

-12-

H-1897

Page 13

1 taxes levied for rural county services shall include
2 the amounts levied for each fiscal year for rural
3 county services pursuant to sections 331.423, 331.424,
4 and 331.426, Code 2001. However, the amount levied
5 for the purposes described in section 331.425 shall
6 not be included if it was levied for under section
7 331.424, Code 2001. For purposes of the base year
8 calculation, amounts certified and levied in each
9 fiscal year pursuant to sections 331.424A, 331.424B,
10 331.424C, and 331.430, and for any capital projects
11 fund, shall not be included.

12 a. The tentative maximum amount of property tax
13 dollars for general county services for taxes payable
14 in the fiscal year beginning July 1, 2000, shall be an
15 amount equal to the sum of the following, divided by
16 three, and adjusted by the amount in paragraph "b":

17 (1) The sum of the amount of property taxes levied
18 for general county services and the amount of property
19 tax replacement dollars received, the amount of
20 revenues received under section 99F.11 that were
21 specifically designated for property tax relief, and
22 the amount of local sales and services tax revenues
23 received as property tax relief and deposited in the
24 general fund, all for the fiscal year beginning July
25 1, 1997, times one and one hundred ten thousandths.

26 (2) The sum of the amount of property taxes levied
27 for general county services and the amount of property
28 tax replacement dollars received, the amount of
29 revenues received under section 99F.11 that were
30 specifically designated for property tax relief, and
31 the amount of local sales and services tax revenues
32 received as property tax relief and deposited in the
33 general fund, all for the fiscal year beginning July
34 1, 1998, times one and eighty-nine thousandths.

35 (3) The sum of the amount of property taxes levied
36 for general county services and the amount of property
37 tax replacement dollars received, the amount of
38 revenues received under section 99F.11 that were
39 specifically designated for property tax relief, and
40 the amount of local sales and services tax revenues
41 received as property tax relief and deposited in the
42 general fund, all for the fiscal year beginning July
43 1, 1999, times one and sixty-seven thousandths.

44 b. The amount computed under the formula in
45 paragraph "a" shall be adjusted by subtracting the
46 amount of the ending fund balance differential for
47 general county services as provided in this paragraph.
48 The ending fund balance differential for general
49 county services is the difference between the general
50 fund's ending balance for the fiscal year beginning

H-1897

H-1897

Page 14

1 July 1, 1999, and the general fund's ending balance
2 for the fiscal year beginning July 1, 1996, divided by
3 three. However, for purposes of this paragraph, the
4 ending fund balance for the fiscal year beginning July
5 1, 1996, and the fiscal year beginning July 1, 1999,
6 shall not include general obligation bond proceeds
7 deposited in the general fund and shall not include
8 revenues received under section 99F.11 deposited in
9 the general fund.

10 2. For purposes of calculating maximum property
11 tax dollars under section 331.423, the tentative
12 maximum property tax dollars for the fiscal year
13 beginning July 1, 2000, for rural county services
14 shall be calculated as provided in this subsection.

15 a. The tentative maximum amount of property tax
16 dollars for rural county services for taxes payable in
17 the fiscal year beginning July 1, 2000, shall be an
18 amount equal to the sum of the following, divided by
19 three, and adjusted by the amount in paragraph "b":

20 (1) The sum of the amount of property taxes levied
21 for rural county services and the amount of property
22 tax replacement dollars received, the amount of
23 revenues received under section 99F.11 that were
24 specifically designated for property tax relief, and
25 the amount of local sales and services tax revenues
26 received as property tax relief and deposited in the
27 rural services fund, all for the fiscal year beginning
28 July 1, 1997, times one and one hundred ten
29 thousandths.

30 (2) The sum of the amount of property taxes levied
31 for rural county services and the amount of property
32 tax replacement dollars received, the amount of
33 revenues received under section 99F.11 that were
34 specifically designated for property tax relief, and
35 the amount of local sales and services tax revenues
36 received as property tax relief and deposited in the
37 rural services fund, all for the fiscal year beginning
38 July 1, 1998, times one and eighty-nine thousandths.

39 (3) The sum of the amount of property taxes levied
40 for rural county services and the amount of property
41 tax replacement dollars received, the amount of
42 revenues received under section 99F.11 that were
43 specifically designated for property tax relief, and
44 the amount of local sales and services tax revenues
45 received as property tax relief and deposited in the
46 rural services fund, all for the fiscal year beginning
47 July 1, 1999, times one and sixty-seven thousandths.

48 b. The amount computed under the formula in
49 paragraph "a" shall be adjusted by subtracting the
50 amount of the ending fund balance differential for

H-1897

H-1897

Page 15

1 rural county services as provided in this paragraph.
2 The ending fund balance differential for rural county
3 services is the difference between the rural services
4 fund's ending balance for the fiscal year beginning
5 July 1, 1999, and the rural services fund's ending
6 balance for the fiscal year beginning July 1, 1996,
7 divided by three. However, for purposes of this
8 paragraph, the ending fund balance for the fiscal year
9 beginning July 1, 1996, and for the fiscal year
10 beginning July 1, 1999, shall not include revenues
11 received under section 99F.11 deposited in the general
12 fund.

13 3. A county may choose to calculate its base year
14 under subsections 1 and 2 using the fiscal years
15 beginning July 1, 1998, July 1, 1999, and July 1,
16 2000, in lieu of the fiscal years cited in subsections
17 1 and 2 and applying the following annual price
18 indices, respectively: one and sixty-nine
19 thousandths, one and forty-eight thousandths, and one
20 and thirty thousandths.

21 4. a. The tentative maximum amount of property
22 tax dollars for general county services for taxes
23 payable in the fiscal year beginning July 1, 2001, is
24 an amount equal to the amount computed in subsection 1
25 times the annual price index plus the amount of net
26 new valuation taxes.

27 b. The tentative maximum amount of property tax
28 dollars for rural county services for taxes payable in
29 the fiscal year beginning July 1, 2001, is an amount
30 equal to the amount computed in subsection 2 times the
31 annual price index plus the amount of net new
32 valuation taxes.

33 5. Each county shall calculate its tentative
34 maximum property tax dollars under this section on
35 forms prescribed by the department of management.

36 Sec. 16. NEW SECTION. 331.440F ENDING FUND
37 BALANCE.

38 Effective for a fiscal year beginning on or after
39 July 1, 2005, actual ending fund balances shall not
40 exceed twenty-five percent of actual expenditures in
41 the previous fiscal year for either the general fund
42 or the rural services fund. Actual ending fund
43 balances for a fiscal year in excess of twenty-five
44 percent of actual expenditures in the previous fiscal
45 year shall be reserved or designated for a specific
46 purpose and specifically described in the certified
47 budget. The excess actual balance for that specific
48 purpose shall be considered an increase in an item in
49 the budget for the following fiscal year for purposes
50 of section 24.28.

H-1897

H-1897

Page 16

1 Counties shall reach the twenty-five percent fund
2 balance limitation by the fiscal year ending June 30,
3 2005, and shall maintain the balance at this level or
4 at a lower level as recorded in the annual financial
5 report. A county shall not exceed a balance greater
6 than five percent above the twenty-five percent fund
7 balance limitation. If a county exceeds the
8 limitation, in the second budget year following the
9 fiscal year that shows a fund balance exceeding the
10 limitation, the county shall implement a levy
11 reduction formula to offset the excess fund balance.

12 Up to ten percent of an amount reserved or
13 designated for a specific purpose may be used for a
14 purpose other than that described in the certified
15 budget. Such change in use shall be treated as an
16 amendment to the budget subject to section 331.435.
17 The board of supervisors may change the specific
18 purpose for which all or a portion of funds in excess
19 of ten percent are reserved or designated if the
20 proposition to change the specific purpose has been
21 submitted at a special election and received a
22 favorable majority of the votes cast on the
23 proposition. The special election shall be held in
24 the manner provided in section 331.425, except that if
25 the change in purpose is to the general services fund
26 ending balance, registered voters in the county may
27 vote on the proposition and if the change in purpose
28 is the rural services fund ending balance, registered
29 voters residing outside the corporate limits of a city
30 within the county may vote on the proposition.

31 Sec. 17. NEW SECTION. 331.440G AUTHORITY TO LEVY
32 BEYOND MAXIMUM PROPERTY TAX DOLLARS.

33 1. The board may certify additions to the maximum
34 amount of property tax dollars to be levied for a
35 period of time not to exceed two years if the
36 proposition has been submitted at a special election
37 and received a favorable majority of the votes cast on
38 the proposition.

39 2. The special election is subject to the
40 following:

41 a. The board must give at least thirty-two days'
42 notice to the county commissioner of elections that
43 the special election is to be held.

44 b. The special election shall be conducted by the
45 county commissioner of elections in accordance with
46 law.

47 c. The proposition to be submitted shall be
48 substantially in the following form:

49 "Vote "yes" or "no" on the following:

50 Shall the county of _____ levy for an additional

H-1897

H-1897

Page 17

1 \$ _____ each year for ____ years beginning July 1,
2 _____, in excess of the statutory limits otherwise
3 applicable for the (general county services or rural
4 services) fund?"

5 d. The canvass shall be held beginning at one p.m.
6 on the second day which is not a holiday following the
7 special election.

8 e. Notice of the special election shall be
9 published at least once in a newspaper as specified in
10 section 331.305 prior to the date of the special
11 election. The notice shall appear as early as
12 practicable after the board has voted to seek
13 additional property tax dollars.

14 3. Registered voters in the county may vote on the
15 proposition to increase property taxes for the general
16 fund in excess of the statutory limit. Registered
17 voters residing outside the corporate limits of a city
18 within the county may vote on the proposition to
19 increase property taxes for the rural services fund in
20 excess of the statutory limit.

21 4. The amount of additional property tax dollars
22 certified under this subsection shall not be included
23 in the computation of the maximum amount of property
24 tax dollars which may be certified and levied under
25 section 331.423.

26 Sec. 18. NEW SECTION. 331.440H CEMETERY LEVY AND
27 FUND.

28 The board may levy annually a tax not to exceed six
29 and three-fourths cents per thousand dollars of the
30 assessed value of all taxable property in the county
31 to repair and maintain all cemeteries under the
32 jurisdiction of the board including pioneer cemeteries
33 and to pay other expenses of the board or the cemetery
34 commission as provided in section 331.325. The
35 proceeds of the tax levy shall be credited to the
36 cemetery fund.

37 Sec. 19. NEW SECTION. 331.440I COUNTY
38 SUPPLEMENTAL FUND.

39 1. The county supplemental fund is established for
40 the following purposes and taxes may be certified and
41 levied for such fund in the amount necessary to meet
42 its obligations:

43 a. Accounting for pension and related employee
44 benefits as provided by the county finance committee.

45 b. Accounting for tort liability insurance,
46 property insurance, and any other insurance that may
47 be necessary in the operation of the county, costs of
48 a self-insurance program, costs of a local government
49 risk pool, and amounts payable under any insurance
50 agreements to provide or procure such insurance, self-

H-1897

H-1897

Page 18

1 insurance program, or local government risk pool.
2 c. Accounting for gifts or grants received by the
3 county for a particular purpose.

4 d. Accounting for money and property received and
5 handled by the county as trustee or custodian or in
6 the capacity of an agent.

7 2. County revenues from taxes and other sources
8 for the purposes described in this section shall be
9 credited to the county supplemental fund.

10 Sec. 20. NEW SECTION. 331.440J UNFUNDED MANDATES
11 FUND.

12 A county may establish an unfunded mandates fund
13 and may certify taxes not to exceed twenty-seven cents
14 per thousand dollars of taxable value each year to be
15 levied for the fund. A county may levy for the fund
16 only to pay for an unfunded state mandate as described
17 in section 25B.5A and identified by the general
18 assembly in the enactment of the unfunded state
19 mandate.

20 The amount of property taxes levied under this
21 section shall not be included in the computation of
22 the maximum amount of property tax dollars which may
23 be certified and levied under section 331.440D.

24 DIVISION IIA

25 BUDGETING AND ACCOUNTING -- PILOT PROJECT

26 Sec. 21. NEW SECTION. 384.22A PILOT PROJECT.

27 For the fiscal year beginning July 1, 2002, through
28 the fiscal year ending June 30, 2004, a city may
29 participate in a pilot project under this division.
30 To participate, a city council must adopt a resolution
31 in favor of participation in the pilot project and
32 must forward the resolution to the Iowa league of
33 cities and the commission on state and local taxation
34 by September 1, 2001. The commission may select
35 participating cities based on population, property
36 valuations, and other factors deemed appropriate by
37 the commission. No more than a total of ten counties
38 and cities may participate in a pilot project under
39 this division or under chapter 331, division IV, part
40 2A.

41 On or before January 1, 2005, the commission shall
42 report on the pilot project to the general assembly.
43 The report shall include such data and information
44 necessary to allow the general assembly to evaluate
45 the pilot project.

46 Section 384.1 and section 384.12, subsection 20, do
47 not apply to this division. References in the Code of
48 Iowa to section 384.1 and section 384.12, subsection
49 20, do not apply to cities participating in a pilot
50 project under this division.

H-1897

-18-

H-1897

Page 19

1 Sec. 22. NEW SECTION. 384.22B PROPERTY TAX

2 DOLLARS -- MAXIMUMS.

3 1. A city shall certify taxes to be levied by the
4 city on all taxable property within the city limits,
5 for all city government purposes. Annually, the city
6 council may certify basic levies for city government
7 purposes, subject to the limitation on property tax
8 dollars provided in this section.

9 2. For purposes of this section:

10 a. "Annual price index" means the change, computed
11 to four decimal places, between the preliminary price
12 index for the third quarter of the calendar year
13 preceding the calendar year in which the fiscal year
14 starts and the revised price index for the third
15 quarter of the previous calendar year as published in
16 the same issue in which such preliminary price index
17 is first published. The price index used shall be the
18 state and local government chain-type price index used
19 in the quantity and price indexes for gross domestic
20 product as published by the United States department
21 of commerce. The annual price index shall not be less
22 than zero and shall not exceed four hundredths. The
23 change shall then be added to one to create a
24 multiplier for the annual price index.

25 b. "Boundary adjustment" means annexation,
26 severance, incorporation, or discontinuance as those
27 terms are defined in section 368.1.

28 c. "Budget year" is the fiscal year beginning
29 during the calendar year in which a budget is
30 certified.

31 d. "Current fiscal year" is the fiscal year ending
32 during the calendar year in which a budget is
33 certified.

34 e. "Local sales and services taxes" means local
35 sales and services taxes imposed under the authority
36 of chapter 422B.

37 f. "Net new valuation taxes" means the amount of
38 property tax dollars equal to the tentative maximum
39 general rate for city government purposes times the
40 increase from the previous year in taxable valuation
41 due to the following:

42 (1) Net new construction.

43 (2) Additions or improvements to existing
44 structures.

45 (3) Remodeling of existing structures for which a
46 building permit is required.

47 (4) Net boundary adjustment.

48 (5) A municipality no longer dividing tax revenues
49 in an urban renewal area as provided in section
50 403.19, to the extent that the incremental valuation

H-1897

-19-

H-1897

Page 20

1 released is due to new construction or revaluation on
2 property newly constructed after the division of
3 revenue begins.

4 (6) That portion of taxable property located in an
5 urban revitalization area on which an exemption was
6 allowed and such exemption has expired.

7 g. "Property tax replacement dollars" means
8 revenues received under sections 427B.17 through
9 427B.19D, revenues received under chapter 437A,
10 subchapter II, revenues received under section 99F.11
11 that are specifically designated for property tax
12 relief in the current fiscal year, and amounts
13 appropriated by the general assembly for property tax
14 relief first enacted for fiscal years beginning on or
15 after July 1, 2001.

16 h. "Tentative maximum general rate" means the
17 amount calculated in subsection 3, paragraph "b",
18 subparagraph (i), divided by the net taxable valuation
19 in the city. For purposes of this paragraph, "net
20 taxable valuation" is the amount of taxable valuation
21 in the city minus the amount of taxable valuation in
22 the city used to calculate net new valuation taxes.

23 i. "Unused taxing authority" means the maximum
24 amount of property tax dollars calculated under
25 subsection 3 for a fiscal year minus the amount
26 actually levied under this section in that fiscal
27 year. Unused taxing authority may be carried forward
28 to the following fiscal year. However, the amount of
29 unused taxing authority which may be carried forward
30 shall not exceed twenty-five percent of the maximum
31 amount of property tax dollars available in the
32 current fiscal year.

33 3. a. Effective for the fiscal year beginning
34 July 1, 2002, the maximum amount of property tax
35 dollars which may be certified by a city for city
36 government purposes shall be the tentative maximum
37 property tax dollars calculated under paragraph "b",
38 and adjusted by the amounts in paragraphs "c", "d",
39 and "e".

40 b. The tentative maximum property tax dollars for
41 city government purposes is an amount equal to the sum
42 of the following:

- 43 (1) The current fiscal year's tentative maximum
44 property tax dollars for city government purposes
45 minus the unused taxing authority carried forward from
46 the previous fiscal year times the annual price index.
- 47 (2) The amount of net new valuation taxes.
- 48 (3) The amount of unused taxing authority carried
49 forward from the previous fiscal year.

50 c. Subtract the amount of property tax replacement

H-1897

H-1897

Page 21

1 dollars to be received for the budget year that will
2 be deposited in the city general fund.

3 d. Subtract the amount of local sales and services
4 taxes for property tax relief estimated by the
5 department of revenue and finance to be received for
6 the budget year that will be deposited in the city
7 general fund.

8 e. Subtract the amount of local sales and services
9 taxes received for property tax relief in the previous
10 fiscal year for the city general fund, and add the
11 amount of local sales and services taxes that was
12 budgeted for property tax relief for the city general
13 fund in that fiscal year.

14 3A. Property taxes certified for deposit in the
15 debt service fund in section 384.4, trust and agency
16 funds in section 384.6, capital improvements reserve
17 fund in section 384.7, the emergency fund in section
18 384.8, any capital projects fund established by the
19 city for deposit of bond, loan, or note proceeds, any
20 temporary increase approved pursuant to section
21 384.22E, property taxes collected from a voted levy in
22 section 384.12, and property taxes levied under
23 section 384.12, subsection 18, are not counted against
24 the maximum amount of property tax dollars that may be
25 certified for a fiscal year under subsection 3.

26 4. Notwithstanding the maximum amount of taxes a
27 city may certify for levy, the tax levied by a city on
28 tracts of land and improvements on the tracts of land
29 used and assessed for agricultural or horticultural
30 purposes shall not exceed three dollars and three-
31 eighths cents per thousand dollars of assessed value
32 in any year. Improvements located on such tracts of
33 land and not used for agricultural or horticultural
34 purposes and all residential dwellings are subject to
35 the same rate of tax levied by the city on all other
36 taxable property within the city.

37 5. The department of management shall adopt rules
38 to administer this section and section 384.22C after
39 consultation with the city finance committee.

40 Sec. 23. NEW SECTION. 384.22C BASE YEAR PROPERTY
41 TAX DOLLARS.

42 1. For purposes of calculating maximum property
43 tax dollars under section 384.22B, the tentative
44 maximum property tax dollars for the fiscal year
45 beginning July 1, 2000, for city government purposes
46 shall be calculated as provided in this subsection.

47 a. The tentative maximum amount of property tax
48 dollars for city government purposes for taxes payable
49 in the fiscal year beginning July 1, 2000, shall be an
50 amount equal to the sum of the following, divided by

H-1897

H-1897

Page 22

1 three, and adjusted by the amounts in paragraph "b".

2 (1) The sum of the amount of property taxes levied
3 for city government purposes and the amount of
4 property tax replacement dollars received, the amount
5 of revenues received under section 99F.11 that were
6 specifically designated for property tax relief, and
7 the amount of local sales and services tax revenues
8 received as property tax relief deposited in the city
9 general fund all for the fiscal year beginning July 1,
10 1997, times one and one hundred ten thousandths.

11 (2) The sum of the amount of property taxes levied
12 for city government purposes and the amount of
13 property tax replacement dollars received, the amount
14 of revenues received under section 99F.11 that were
15 specifically designated for property tax relief, and
16 the amount of local sales and services tax revenues
17 received as property tax relief deposited in the city
18 general fund all for the fiscal year beginning July 1,
19 1998, times one and eighty-nine thousandths.

20 (3) The sum of the amount of property taxes levied
21 for city government purposes and the amount of
22 property tax replacement dollars received, the amount
23 of revenues received under section 99F.11 that were
24 specifically designated for property tax relief, and
25 the amount of local sales and services tax revenues
26 received as property tax relief deposited in the city
27 general fund all for the fiscal year beginning July 1,
28 1999, times one and sixty-seven thousandths.

29 b. The amount computed under the formula in
30 paragraph "a" shall be adjusted by subtracting the
31 amount of the ending fund balance differential for
32 city government purposes as provided in this
33 paragraph. The ending fund balance differential for
34 city government purposes is the difference between the
35 city general fund's ending balance for the fiscal year
36 beginning July 1, 1999, and the city general fund's
37 ending balance for the fiscal year beginning July 1,
38 1996, divided by three. However, for purposes of this
39 paragraph, the ending fund balance for the fiscal year
40 beginning July 1, 1996, and the fiscal year beginning
41 July 1, 1999, shall not include general obligation
42 bond proceeds deposited in the general fund and shall
43 not include revenues received under section 99F.11
44 deposited in the general fund.

45 2. A city may choose to calculate its base year
46 under subsection 1 using the fiscal years beginning
47 July 1, 1998, July 1, 1999, and July 1, 2000, in lieu
48 of the fiscal years cited in subsection 1 and applying
49 the following annual price indices, respectively: one
50 and sixty-nine thousandths, one and forty-eight

H-1897

-22-

H-1897

Page 23

1 thousandths, and one and thirty thousandths.

2 3. The tentative maximum amount of property tax
3 dollars for city government purposes for the fiscal
4 year beginning July 1, 2001, is an amount equal to the
5 amount computed in subsection 1 times the annual price
6 index plus the amount of net new valuation taxes.

7 4. Each city shall calculate its base year
8 tentative maximum property tax dollars and its maximum
9 property tax dollars under this section on forms
10 prescribed by the department of management.

11 Sec. 24. NEW SECTION. 384.22D ENDING FUND
12 BALANCE.

13 Effective for a fiscal year beginning on or after
14 July 1, 2005, actual ending fund balances shall not
15 exceed twenty-five percent of actual expenditures in
16 the previous fiscal year for either the general fund
17 or the rural services fund. Actual ending fund
18 balances for a fiscal year in excess of twenty-five
19 percent of actual expenditures in the previous fiscal
20 year shall be reserved or designated for a specific
21 purpose and specifically described in the certified
22 budget. The excess actual balance for that specific
23 purpose shall be considered an increase in an item in
24 the budget for the following fiscal year for purposes
25 of section 24.28.

26 Cities shall reach the twenty-five percent fund
27 balance limitation by the fiscal year ending June 30,
28 2005, and shall maintain the balance at this level or
29 at a lower level as recorded in the annual financial
30 report. A city shall not exceed a balance greater
31 than five percent above the twenty-five percent fund
32 balance limitation. If a city exceeds the limitation,
33 in the second budget year following the fiscal year
34 that shows a fund balance exceeding the limitation,
35 the city shall implement a levy reduction formula to
36 offset the excess fund balance.

37 Up to ten percent of an amount reserved or
38 designated for a specific purpose may be used for a
39 purpose other than that described in the certified
40 budget. Such change in use shall be treated as an
41 amendment to the budget subject to section 384.18.
42 The board of supervisors may change the specific
43 purpose for which all or a portion of funds in excess
44 of ten percent are reserved or designated if the
45 proposition to change the specific purpose has been
46 submitted at a special election and received a
47 favorable majority of the votes cast on the
48 proposition. The special election shall be held in
49 the manner provided in section 384.12, subsection 20.

50 Sec. 25. NEW SECTION. 384.22E AUTHORITY TO LEVY

H-1897

H-1897

Page 24

1 BEYOND MAXIMUM PROPERTY TAX DOLLARS.

2 1. The city council may certify additions to the
3 maximum amount of property tax dollars to be levied
4 for a period of time not to exceed two years if the
5 proposition has been submitted at a special election
6 and received a favorable majority of the votes cast on
7 the proposition.

8 2. The special election is subject to the
9 following:

10 a. The city council must give at least thirty-two
11 days' notice to the county commissioner of elections
12 that the special election is to be held.

13 b. The special election shall be conducted by the
14 county commissioner of elections in accordance with
15 law.

16 c. The proposition to be submitted shall be
17 substantially in the following form:

18 "Vote "yes" or "no" on the following:

19 Shall the city of _____ levy for an additional
20 \$ _____ each year for ___ years beginning next July
21 1, _____, in excess of the statutory limits otherwise
22 applicable for the city general fund?"

23 d. The canvass shall be held beginning at one p.m.
24 on the second day which is not a holiday following the
25 special election.

26 e. Notice of the special election shall be
27 published at least once in a newspaper as specified in
28 section 362.3 prior to the date of the special
29 election. The notice shall appear as early as
30 practicable after the city council has voted to seek
31 additional property tax dollars.

32 3. The amount of additional property tax dollars
33 levied under subsection 2 shall not be included in the
34 computation of the maximum amount of property tax
35 dollars which may be certified and levied under
36 section 384.1.

37 Sec. 26. Section 425A.2, subsection 4, paragraph
38 d, Code 2001, is amended to read as follows:

39 d. If the owner is an authorized farm corporation,
40 a shareholder or the shareholder's spouse who owns at
41 least ~~fifty-one~~ fifty percent of the stock of the
42 authorized farm corporation ~~or the shareholder's~~
43 ~~spouse~~.

44 Sec. 27. Section 425A.2, subsection 4, paragraph
45 e, Code 2001, is amended to read as follows:

46 e. If the owner is an individual who leases the
47 tract to a family farm corporation, a shareholder of
48 the corporation if the combined stock of the family
49 farm corporation owned by the owner of the tract and
50 persons related to the owner as enumerated in

H-1897

-24-

H-1897

Page 25

1 paragraph "a" is equal to at least ~~fifty-one~~ fifty
2 percent of the stock of the family farm corporation.

3 Sec. 28. Section 425A.2, subsection 4, paragraph
4 f, Code 2001, is amended to read as follows:

5 f. If the owner is an individual who leases the
6 tract to a partnership, a partner if the combined
7 partnership interest owned by a designated person as
8 defined in paragraph "a" is equal to at least ~~fifty-~~
9 ~~one~~ fifty percent of the ownership interest of the
10 partnership.

11 Sec. 29. Section 427.1, subsection 19, Code 2001,
12 is amended by adding the following new unnumbered
13 paragraph after unnumbered paragraph 8:

14 NEW UNNUMBERED PARAGRAPH. Pollution-control
15 property used for purposes relating to the care and
16 feeding of livestock as defined in section 169C.1
17 shall be limited to the first two hundred thousand
18 dollars in assessed value, unless an owner of the
19 pollution-control property is any of the following:

20 a. The owner of agricultural land which is
21 eligible for the family farm property tax credit as
22 provided in chapter 425A.

23 b. Actively engaged in farming as defined in
24 section 10.1.

25 c. A networking farmers entity as defined in
26 section 10.1 or a member of a networking farmers
27 entity.

28 Sec. 30. APPLICABILITY DATES. Sections 26 through
29 28 of this Act apply to credits applied for on or
30 after July 1, 2001. Section 29 of this Act applies to
31 exemptions first applied for on or after July 1, 2001.
32 The remainder of this Act applies to the fiscal year
33 beginning July 1, 2002, and all subsequent fiscal
34 years.""

35 2. Title page, line 1, by inserting after the
36 word "for" the following: "certain cities and".

By HOUSER of Pottawattamie
VAN ENGELENHOVEN of Mahaska

H-1897 FILED MAY 2, 2001

SENATE FILE 514**H-1900**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 9, line 31, by striking the figure "2002"
4 and inserting the following: "2005".
5 2. Page 12, line 18, by striking the figure
6 "2002" and inserting the following: "2005".
7 3. Page 14, line 5, by striking the figure "2000"
8 and inserting the following: "2005".
9 4. Page 14, line 23, by striking the figure
10 "2000" and inserting the following: "2005".
11 5. Page 14, line 33, by striking the figure
12 "1997" and inserting the following: "2002".
13 6. Page 15, line 7, by striking the figure "1998"
14 and inserting the following: "2003".
15 7. Page 15, line 15, by striking the figure
16 "1999" and inserting the following: "2004".
17 8. Page 15, line 22, by striking the figure
18 "1999" and inserting the following: "2004".
19 9. Page 15, line 23, by striking the figure
20 "1996" and inserting the following: "2001".
21 10. Page 15, line 25, by striking the figure
22 "1996" and inserting the following: "2001".
23 11. Page 15, line 26, by striking the figure
24 "1999" and inserting the following: "2004".
25 12. Page 15, line 30, by striking the figure
26 "2000" and inserting the following: "2005".
27 13. Page 16, line 10, by striking the figure
28 "1997" and inserting the following: "2002".
29 14. Page 16, line 19, by striking the figure
30 "1998" and inserting the following: "2003".
31 15. Page 16, line 27, by striking the figure
32 "1999" and inserting the following: "2004".
33 16. Page 16, line 34, by striking the figure
34 "1999" and inserting the following: "2004".
35 17. Page 16, line 35, by striking the figure
36 "1996" and inserting the following: "2001".
37 18. Page 17, by striking lines 1 through 10.
38 19. Page 23, line 25, by striking the figure
39 "2002" and inserting the following: "2005".

By O'BRIEN of Boone

H-1900 FILED MAY 2, 2001

SENATE FILE 514**H-1914**

1 Amend, the amendment, H-1897, to Senate File 514,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 25, line 18, by inserting after the word
5 "value" the following: "per owner on a statewide
6 basis".

7 2. Page 25, by inserting after line 27, the
8 following:

9 "For purposes of establishing the valuation
10 limitation under this subsection, if more than one
11 person has an ownership interest in the property, the
12 multiple owners shall be considered one owner so that
13 the two hundred thousand dollar limitation cannot be
14 exceeded as a result of multiple ownership."

By KREIMAN of Davis

ARNOLD of Lucas

H-1914 FILED MAY 2, 2001

SENATE FILE 514**H-1926**

1 Amend the amendment, H-1897, to Senate File 514, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 8, by striking lines 25 through 30, and
5 inserting the following: "commission shall select
6 counties to participate in the pilot project based on
7 population, property valuations, and other factors
8 deemed appropriate by the commission. If necessary to
9 meet these participation requirements, the commission
10 may solicit the participation of counties that have
11 not adopted and forwarded a resolution to the
12 commission. No more than a total of five counties may
13 participate in a pilot project under this part."

14 2. Page 18, by striking lines 10 through 23.

15 3. Page 18, by striking lines 34 through 40, and
16 inserting the following: "by September 1, 2001. The
17 commission shall select cities to participate in the
18 pilot project based on population, property
19 valuations, and other factors deemed appropriate by
20 the commission. If necessary to meet these
21 participation requirements, the commission may solicit
22 the participation of cities that have not adopted and
23 forwarded a resolution to the commission. No more
24 than a total of five cities may participate in a pilot
25 project under this division."

26 4. By renumbering as necessary.

By HOUSER of Pottawattamie

H-1926 FILED MAY 2, 2001

SENATE FILE 514

H-1927

1 Amend the amendment, H-1897, to Senate File 514, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 5, by inserting after line 10, the
5 following:

6 "Sec. ____ . Section 331.323, subsection 2,
7 paragraph g, Code 2001, is amended to read as follows:

8 g. Establish the number of deputies, assistants,
9 and clerks for the offices of assessor, auditor,
10 treasurer, recorder, sheriff, and county attorney."

11 2. Page 12, line 49, by inserting after the
12 figure "2001." the following: "Amounts levied for
13 each fiscal year under the authority of section 441.16
14 shall be added to the base year calculation for
15 general county services."

16 3. Page 18, by inserting after line 23, the
17 following:

18 "Sec. ____ . Section 331.559, subsection 18, Code
19 2001, is amended by striking the subsection."

20 4. Page 22, by inserting after line 28, the
21 following:

22 "Amounts levied for each fiscal year under the
23 authority of section 441.16 shall be added to the base
24 year calculation."

25 5. Page 25, by inserting after line 27, the
26 following:

27 "Sec. ____ . Section 441.3, Code 2001, is amended to
28 read as follows:

29 441.3 EXAMINING BOARD.

30 At a regular meeting of the conference board each
31 voting unit of the conference board shall appoint one
32 person who is a resident of the assessor jurisdiction
33 to serve as a member of an examining board to hold an
34 examination for the positions of assessor or deputy
35 assessor. This examining board shall organize as soon
36 as possible after its appointment with a chairperson
37 and secretary. All its necessary expenditures shall
38 be paid ~~as provided~~ from the budget of the assessor.
39 Members of the board shall serve without compensation.
40 The terms of each shall be for six years.

41 Sec. ____ . Section 441.5, unnumbered paragraph 5,
42 Code 2001, is amended to read as follows:

43 Any person possessing temporary certification who
44 receives a provisional appointment as assessor shall,
45 during the person's first eighteen months in office,
46 be required to complete a course of study prescribed
47 and administered by the director of revenue and
48 finance. Upon the successful completion of this
49 course of study, the assessor shall be granted regular
50 certification and shall be eligible to remain in.

H-1927

H-1927

Page 2

1 office for the balance of the assessor's six-year
2 term. All expenses incurred in obtaining regular
3 certification shall be ~~defrayed by the assessment~~
4 ~~expense fund~~ paid from the budget of the assessor.

5 Sec. ____ . Section 441.7, Code 2001, is amended to
6 read as follows:

7 441.7 SPECIAL EXAMINATION.

8 If the conference board fails to appoint an
9 assessor from the list of individuals on the register,
10 the conference board shall request permission from the
11 director of revenue and finance to hold a special
12 examination in the particular city or county in which
13 the vacancy has occurred. Permission may be granted
14 by the director of revenue and finance after
15 consideration of factors such as the availability of
16 candidates in that particular city or county. The
17 director of revenue and finance shall conduct no more
18 than one special examination for each vacancy in an
19 assessing jurisdiction. The examination shall be
20 conducted by the director of revenue and finance as
21 provided in section 441.5, except as otherwise
22 provided in this section. The examining board shall
23 give notice of holding the examination for assessor by
24 posting a written notice in a conspicuous place in the
25 county courthouse in the case of county assessors or
26 in the city hall in the case of city assessors,
27 stating that at a specified date, an examination for
28 the position of assessor will be held at a specified
29 place. Similar notice shall be given at the same time
30 by one publication of the notice in three newspapers
31 of general circulation in the case of a county
32 assessor, or in case there are not three such
33 newspapers in a county, then in newspapers which are
34 available, or in one newspaper of general circulation
35 in the city in the case of city assessor. The
36 conference board of the city or county in which a
37 special examination is held shall reimburse the
38 department of revenue and finance for all expenses
39 incurred in the administration of the examination, to
40 be paid for ~~by~~ out of the budget of the respective
41 city or county assessor.

42 Following the administration of this special
43 examination, the director of revenue and finance shall
44 certify to the examining board a new list of
45 candidates eligible to be appointed as assessor and
46 the examining board and conference board shall proceed
47 in accordance with the provisions of section 441.6.

48 Sec. ____ . Section 441.8, unnumbered paragraph 8,
49 Code 2001, is amended to read as follows:

50 ~~Each conference board~~ The board of supervisors, or

H-1927

H-1927

Page 3

1 city council, as applicable, shall include in the
2 budget for the operation of the assessor's office
3 funds sufficient to enable the assessor and any deputy
4 assessor to obtain certification as provided in this
5 section. The conference board shall also allow the
6 assessor and any deputy assessor sufficient time off
7 from their regular duties to obtain certification.
8 The director of revenue and finance shall adopt rules
9 pursuant to chapter 17A to implement and administer
10 this section.

11 Sec. ____ . Section 441.15, Code 2001, is amended to
12 read as follows:

13 441.15 BOND.

14 Assessors and deputy assessors shall be required to
15 furnish bond for the performance of their duties in
16 such amount as the conference board may require and
17 the cost ~~thereof of the bond~~ shall be provided for in
18 the budget of the assessor ~~and paid out of the~~
19 ~~assessment expense fund.~~

20 Sec. ____ . Section 441.16, Code 2001, is amended by
21 striking the section and inserting in lieu thereof the
22 following:

23 441.16 BUDGET.

24 All expenditures under this chapter shall be paid
25 as provided in this section.

26 Not later than January 1 of each year the assessor,
27 the examining board, and the board of review, shall
28 each prepare a proposed budget of all expenses for the
29 ensuing fiscal year. The assessor shall include in
30 the proposed budget the probable expenses for
31 defending assessment appeals. The budgets shall be
32 combined by the assessor and copies of the budget
33 forthwith filed by the assessor in triplicate with the
34 chairperson of the board of supervisors or city
35 council, as applicable.

36 Such combined budgets shall contain an itemized
37 list of the proposed salaries of the assessor and each
38 deputy, the amount required for field personnel and
39 other personnel, their number and their compensation;
40 the estimated amount needed for expenses, printing,
41 mileage and other expenses necessary to operate the
42 assessor's office, the estimated expenses of the
43 examining board and the salaries and expenses of the
44 local board of review.

45 For purposes of promoting operational efficiency,
46 the assessor shall have authority to transfer funds
47 budgeted for specific items for the operation of the
48 assessor's office from one unexpended balance to
49 another; such transfer shall not be made so as to
50 increase the total amount budgeted for the operation

H-1927

H-1927

Page 4

1 of the office of assessor, and no funds shall be used
2 to increase the salary of the assessor or the salaries
3 of permanent deputy assessors. The assessor shall
4 issue requisitions for the examining board and for the
5 board of review on order of the chairperson of each
6 board and for costs and expenses incident to
7 assessment appeals, only on order of the city legal
8 department, in the case of cities and of the county
9 attorney in the case of counties.

10 Sec. ____ . Section 441.17, subsection 5, unnumbered
11 paragraph 2, Code 2001, is amended to read as follows:

12 In all cases where the court finds that the
13 taxpayer has not listed the taxpayer's property, as
14 provided by law, and in all hearings where the court
15 decides a matter against the taxpayer, the costs shall
16 be paid by the taxpayer, otherwise they shall be paid
17 ~~out of the assessment expense fund~~ from the budget of
18 the assessor. The fees and mileage to be paid
19 witnesses shall be the same as prescribed by law in
20 proceedings in the district courts of this state in
21 civil cases. Where the costs are taxed to the
22 taxpayer they shall be added to the taxes assessed
23 against said taxpayer and the taxpayer's property and
24 shall be collected in the same manner as are other
25 taxes.

26 Sec. ____ . Section 441.50, Code 2001, is amended to
27 read as follows:

28 441.50 APPRAISERS EMPLOYED.

29 The ~~conference~~ board of supervisors or city council
30 shall have power to employ appraisers or other
31 technical or expert help to assist in the valuation of
32 property, the cost thereof to be paid in the same
33 manner as other expenses of the assessor's office.
34 The ~~conference~~ board of supervisors or city council
35 may certify for levy annually an amount not to exceed
36 forty and one-half cents per thousand dollars of
37 assessed value of taxable property for the purpose of
38 establishing a special appraiser's fund, to be used
39 only for such purposes. ~~From time to time the~~
40 ~~conference board may direct the transfer of any~~
41 ~~unexpended balance in the special appraiser's fund to~~
42 ~~the assessment expense fund."~~

43 6. By renumbering as necessary.

By VAN ENGELENHOVEN of Mahaska
HOUSER of Pottawattamie

H-1927 FILED MAY 2, 2001

SENATE FILE 514**H-1928**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 13, line 29, by inserting after the word
4 "proceeds," the following: "property taxes certified
5 for levy for mass transit as part of a joint agreement
6 with a city to provide mass transit,".

By T. TAYLOR of Linn

D. TAYLOR of Linn

H-1928 FILED MAY 2, 2001

SENATE FILE 514**H-1929**

1 Amend Senate File 514, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 19, line 14, by striking the word "two"
4 and inserting the following: "five".

By PETERSEN of Polk

H-1929 FILED MAY 2, 2001