

Greiner, Drake, Flynn

SSB 3139

Ways & Means

Succeeded By
SF/HF 2308

SENATE/HOUSE FILE _____

BY (PROPOSED DEPARTMENT OF
MANAGEMENT BILL)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the utility replacement tax, and providing for
2 the Act's retroactive applicability.

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

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1 Section 1. Section 426B.2, subsections 1 and 3, Code
2 Supplement 2001, are amended to read as follows:

3 1. The moneys in the property tax relief fund available to
4 counties for a fiscal year shall be distributed as provided in
5 this section. A county's proportion of the moneys shall be
6 equivalent to the sum of the following three factors:

7 a. One-third based upon the county's proportion of the
8 state's general population.

9 b. One-third based upon the county's proportion of the
10 state's total taxable property valuation assessed for taxes
11 payable in the previous fiscal year.

12 c. One-third based upon the county's proportion of all
13 counties' base year expenditures, as defined in section
14 331.438.

15 Moneys provided to a county for property tax relief in a
16 fiscal year, excluding replacement generation taxes in the
17 property tax relief fund, in accordance with this subsection
18 shall not be less than the amount provided for property tax
19 relief in the previous fiscal year.

20 3. The director of human services shall draw warrants on
21 the property tax relief fund, payable to the county treasurer
22 in the amount due to a county in accordance with subsection 1
23 and mail the warrants to the county auditors in July and
24 January of each year. Any replacement generation tax in the
25 property tax relief fund as of November 1 shall be paid to the
26 county treasurers in July and January of the fiscal year
27 beginning the following July 1.

28 Sec. 2. Section 437A.3, subsection 1, Code Supplement
29 2001, is amended by adding the following new unnumbered
30 paragraph:

31 NEW UNNUMBERED PARAGRAPH. The assessed value of a new
32 electric power generating plant shall be eight percent of the
33 assessed value determined in section 437A.19, but construction
34 work in progress shall be excluded from the assessed value of
35 a new electric power generating plant.

1 Sec. 3. Section 437A.3, subsection 10, Code Supplement
2 2001, is amended by adding the following new unnumbered
3 paragraph:

4 NEW UNNUMBERED PARAGRAPH. "New electric power generating
5 plant" means an electric power generating plant that is owned
6 by or leased to an electric company, electric cooperative, or
7 municipal utility, and that initially generates electricity
8 subject to replacement generation tax, under section 437A.6,
9 on or after January 1, 2002.

10 Sec. 4. Section 437A.7, Code Supplement 2001, is amended
11 by adding the following new subsection:

12 NEW SUBSECTION. 1A. In lieu of the replacement
13 transmission tax imposed in subsection 1, a municipal utility
14 whose replacement tax liability for the tax year 1999 was
15 limited to the tax imposed by this section and whose
16 anticipated tax revenues from a taxpayer, as defined in
17 section 437A.15, subsection 4, for the tax year 1999, exceeded
18 its replacement transmission tax by more than one hundred
19 thousand dollars shall be subject to replacement transmission
20 tax on all transmission lines owned by or leased to the
21 municipal utility as of the last day of the tax year 2000 as
22 follows:

23 a. Three thousand twenty-five dollars per pole mile of
24 transmission line owned or leased by the taxpayer not
25 exceeding one hundred kilovolts.

26 b. Seven thousand dollars per pole mile of transmission
27 line owned or leased by the taxpayer greater than one hundred
28 fifty kilovolts but not exceeding three hundred kilovolts.

29 Sec. 5. Section 437A.8, subsection 4, Code Supplement
30 2001, is amended by adding the following new paragraph:

31 NEW PARAGRAPH. d. Notwithstanding paragraph "a", a
32 taxpayer who owns or leases a new electric power generating
33 plant and who has no other operating property in the state of
34 Iowa, if any, except for operating property directly serving
35 the new electric power generating plant, as described in

1 section 437A.16, shall pay the replacement generation tax
2 associated with the allocation of the local amount to the
3 county treasurer of the county in which the local amount is
4 located and shall remit the remaining replacement generation
5 tax, if any, to the director, according to paragraph "a", for
6 remittance of the tax to county treasurers. The director
7 shall notify each taxpayer on or before August 31 following a
8 tax year of its remaining replacement generation tax to be
9 remitted to the director. All remaining replacement
10 generation tax revenues received by the director shall be
11 deposited in the property tax relief fund created in section
12 426B.1, and shall be distributed as provided in section
13 426B.2.

14 Sec. 6. Section 437A.15, subsection 3, Code Supplement
15 2001, is amended by adding the following new paragraph:

16 NEW PARAGRAPH. f. Notwithstanding the provisions of this
17 section, if the taxpayer is a municipal utility or a municipal
18 owner of an electric power facility financed under the
19 provisions of chapter 28F or 476A, the assessed value, other
20 than the local amount, of a new electric power generating
21 plant shall be allocated to each taxing district in which the
22 municipal utility or municipal owner is serving customers and
23 has electric meters in operation, in the ratio that the number
24 of operating electric meters of the municipal utility or
25 municipal owner located in the taxing district bears to the
26 total number of operating electric meters of the municipal
27 utility or municipal owner in the state as of January 1 of the
28 tax year. If the municipal utility or municipal owner of an
29 electric power facility financed under the provisions of
30 chapter 28F or 476A has a new electric power generating plant
31 but the municipal utility or municipal owner has no operating
32 electric meters in this state, the municipal utility or
33 municipal owner shall pay the replacement generation tax
34 associated with the new electric power generating plant
35 allocation of the local amount to the county treasurer of the

1 county in which the local amount is located and shall remit
 2 the remaining replacement generation tax, if any, to the
 3 director at the times contained in section 437A.8, subsection
 4 4, for remittance of the tax to the county treasurer of the
 5 county in which the local amount is located and shall remit
 6 the remaining replacement generation tax, if any, to the
 7 director, according to section 437A.8, subsection 4, for
 8 remittance of the tax to the county treasurers. All remaining
 9 replacement generation tax revenues received by the director
 10 shall be deposited in the property tax relief fund created in
 11 section 426B.1, and shall be distributed as provided in
 12 section 426B.2.

13 Sec. 7. RETROACTIVE APPLICABILITY DATE. This Act applies
 14 retroactively to tax years beginning on or after January 1,
 15 2002.

16 EXPLANATION

17 This bill amends various provisions of Code chapter 437A,
 18 relating to the replacement generation tax, and related
 19 provisions in Code section 426B.2. The bill makes conforming
 20 amendments to various replacement generation tax provisions
 21 relating to new electric power generating plants to be built
 22 in the state of Iowa and the allocation of replacement
 23 generation tax of stand-alone new electric power generating
 24 plants.

25 The bill adds a new definition for "new electric power
 26 generating plant" and addresses its assessed value in Code
 27 section 437A.3. The bill defines the assessed value of a new
 28 electric power generating plant as 8 percent of the assessed
 29 value, which under Code section 437A.19 would be the book
 30 value of the completed plant, but excludes construction work
 31 in progress from the assessed value of a new electric power
 32 generating plant.

33 The bill provides, in Code section 437A.7, a replacement
 34 transmission tax at increased rates on municipal utilities
 35 whose anticipated tax revenue exceeded its replacement

1 transmission tax by more than \$100,000 for the tax year 1999.
2 If such utility acquires transmission lines in 2001 or
3 thereafter, those lines will be subject to tax at the rates in
4 Code section 437A.7, subsection 1, paragraphs "a" through "d".

5 The bill adds a new paragraph to Code section 437A.8,
6 subsection 4, to provide for the remission of replacement
7 generation tax in cases of certain new electric power
8 generating plants. The bill provides a method for allocation
9 of replacement generation tax incurred by a stand-alone new
10 electric power generating plant whereby the tax attributed to
11 the local amount as defined in Code section 437A.3, subsection
12 13, is paid to the county treasurer and the remaining tax, if
13 any, is paid to the director who deposits the tax receipts
14 into the property tax relief fund created in Code section
15 426B.1 for distribution as provided in Code section 426B.2.
16 This provision is applicable even if the taxpayer has other
17 Iowa operating property as long as the taxpayer's other Iowa
18 operating property is limited to operating property directly
19 serving the new electric power generating plant. The
20 replacement generation tax is placed in the property tax
21 relief fund for distribution, along with other state moneys,
22 to counties to reimburse the counties for their qualified
23 mental health, mental retardation, and developmental
24 disabilities services expenditures.

25 The bill provides in Code section 426B.2 that in
26 determining whether property tax relief fund moneys provided
27 to a county are more or less than in the previous fiscal year,
28 replacement taxes shall not be considered in such
29 determination. The bill also amends Code section 426B.2,
30 subsection 3, to provide that all replacement tax receipts in
31 the property tax relief fund as of November 1 of the calendar
32 year immediately preceding the following fiscal year shall be
33 paid to the county treasurers in July and January of each
34 year.

35 The bill adds a new paragraph to Code section 437A.15,

1 subsection 3, pertaining to the assessed value of a new
 2 electric power generating plant owned by a municipal utility
 3 or municipal owner. The bill provides a method of allocation
 4 of replacement generation tax incurred by stand-alone electric
 5 power generating plants of municipal utilities and municipal
 6 owners who have an electric power facility financed under Code
 7 chapter 28F or 476A and provides a method of allocation of
 8 replacement generation tax on the basis of operating electric
 9 meters with respect to other municipal utilities and municipal
 10 owners who have an electric power facility financed under Code
 11 chapter 28F or 476A.

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

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MEMORANDUM

TO: MEMBERS OF THE GENERAL ASSEMBLY

FROM: G. D. BAIR *B* and CYNTHIA EISENHAUER *Coe*, CO-CHAIRS OF UTILITY REPLACEMENT TAX TASK FORCE

RE: 2002 PROPOSED LEGISLATION

DATE: JANUARY 22, 2002

Sections 1, 2, 3, and 5 of this Act make conforming amendments to various replacement tax provisions in order to narrow the differences between the amount of general property tax equivalents of new electric power generating plants to be built in the state of Iowa and the amount of replacement generation tax that will replace such general property tax equivalents and to allocate replacement tax of stand-alone new electric power generating plants.

Section 1 makes clear that in determining whether chapter 426B property tax relief fund moneys provided to a county are more or less than in the previous fiscal year, replacement taxes shall not be considered in such determination. Section 1 also provides that all replacement tax receipts in the property tax relief fund as of November 1 of the calendar year immediately preceding the following fiscal year shall be paid to the county treasurers in July and January of each year.

Section 2 defines the assessed value of a new electric power generating plant as eight percent of the assessed value, which under section 437A.19 would be the book value, of the completed plant but excludes construction work in progress from the assessed value of a new electric power generating plant. Section 3 defines "new electric power generating plant."

Section 5 provides a method for allocation of replacement generation tax incurred by a stand-alone new electric power generating plant whereby the tax attributed to the local amount as defined in section 437A.3, subsection 13 is paid to the county treasurer and the remaining tax, if any, is paid to the director who deposits the tax receipts into the property tax relief fund created in section 426B.1 for distribution as provided in section 426B.2. This provision is applicable even if the taxpayer has other Iowa operating property as long as the taxpayer's other Iowa operating property is limited to operating property directly serving the new electric power generating plant. The replacement generation tax is placed in the property tax relief fund for distribution because of ease of administration and because such distribution benefits all taxpayers and all tax levying local governments and levying authorities in an equitable manner.

Page 2
January 22, 2002

One of the purposes of the replacement tax, set forth in section 437A.2, was to preserve revenue neutrality for local governments and taxpayers. There have been instances where there is a great disparity between the replacement tax and the property tax which the replacement tax replaced for electric and natural gas utilities. Some of those instances were addressed and corrected in sections 3 and 4 of the H.F. 731, 2001 Iowa Acts. Section 4 of this bill amends section 437A.7 to impose the replacement transmission tax at increased rates on any municipal utility whose replacement tax was substantially less than what its property tax would have been. Such increased tax rates apply to all transmission lines owned by or leased to the affected municipal utility as of the last day of the tax year 2000 for tax years beginning on or after January 1, 2002. If the municipal utility acquires transmission lines in the tax year 2001 and thereafter, such transmission lines will be subject to replacement transmission tax at the rates in section 437A.7, subsection 1, paragraphs a through d.

Section 6 provides a method of allocation of replacement generation tax incurred by stand-alone electric power generating plants of municipal utilities and municipal owners who have an electric power facility financed under chapters 28F or 476A and provides a method of allocation of replacement generation tax on the basis of operating electric meters with respect to other municipal utilities and municipal owners who have an electric power facility financed under chapters 28F or 476A.

Section 7 makes the Act retroactive to tax years beginning on or after January 1, 2002.

FILED MAR 4 2002

SENATE FILE 2308
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3139)

Passed Senate, Date (P. 1169) 4/12/02 Passed House, Date _____
Vote: Ayes 39 Nays 4 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the utility replacement tax, and providing for
2 the Act's retroactive applicability.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2308

1 Section 1. Section 426B.2, subsections 1 and 3, Code
2 Supplement 2001, are amended to read as follows:

3 1. The moneys in the property tax relief fund available to
4 counties for a fiscal year shall be distributed as provided in
5 this section. A county's proportion of the moneys shall be
6 equivalent to the sum of the following three factors:

7 a. One-third based upon the county's proportion of the
8 state's general population.

9 b. One-third based upon the county's proportion of the
10 state's total taxable property valuation assessed for taxes
11 payable in the previous fiscal year.

12 c. One-third based upon the county's proportion of all
13 counties' base year expenditures, as defined in section
14 331.438.

15 Moneys provided to a county for property tax relief in a
16 fiscal year, excluding replacement generation taxes in the
17 property tax relief fund, in accordance with this subsection
18 shall not be less than the amount provided for property tax
19 relief in the previous fiscal year.

20 3. The director of human services shall draw warrants on
21 the property tax relief fund, payable to the county treasurer
22 in the amount due to a county in accordance with subsection 1
23 and mail the warrants to the county auditors in July and
24 January of each year. Any replacement generation tax in the
25 property tax relief fund as of November 1 shall be paid to the
26 county treasurers in July and January of the fiscal year
27 beginning the following July 1.

28 Sec. 2. Section 437A.3, subsection 1, Code Supplement
29 2001, is amended by adding the following new unnumbered
30 paragraph:

31 NEW UNNUMBERED PARAGRAPH. The assessed value of a new
32 electric power generating plant shall be eight percent of the
33 assessed value determined in section 437A.19, but construction
34 work in progress shall be excluded from the assessed value of
35 a new electric power generating plant.

1 Sec. 3. Section 437A.3, subsection 10, Code Supplement
2 2001, is amended by adding the following new unnumbered
3 paragraph:

4 NEW UNNUMBERED PARAGRAPH. "New electric power generating
5 plant" means an electric power generating plant that is owned
6 by or leased to an electric company, electric cooperative, or
7 municipal utility, and that initially generates electricity
8 subject to replacement generation tax, under section 437A.6,
9 on or after January 1, 2002.

10 Sec. 4. Section 437A.7, Code Supplement 2001, is amended
11 by adding the following new subsection:

12 NEW SUBSECTION. 1A. In lieu of the replacement
13 transmission tax imposed in subsection 1, a municipal utility
14 whose replacement tax liability for the tax year 1999 was
15 limited to the tax imposed by this section and whose
16 anticipated tax revenues from a taxpayer, as defined in
17 section 437A.15, subsection 4, for the tax year 1999, exceeded
18 its replacement transmission tax by more than one hundred
19 thousand dollars shall be subject to replacement transmission
20 tax on all transmission lines owned by or leased to the
21 municipal utility as of the last day of the tax year 2000 as
22 follows:

23 a. Three thousand twenty-five dollars per pole mile of
24 transmission line owned or leased by the taxpayer not
25 exceeding one hundred kilovolts.

26 b. Seven thousand dollars per pole mile of transmission
27 line owned or leased by the taxpayer greater than one hundred
28 fifty kilovolts but not exceeding three hundred kilovolts.

29 Sec. 5. Section 437A.8, subsection 4, Code Supplement
30 2001, is amended by adding the following new paragraph:

31 NEW PARAGRAPH. d. Notwithstanding paragraph "a", a
32 taxpayer who owns or leases a new electric power generating
33 plant and who has no other operating property in the state of
34 Iowa, if any, except for operating property directly serving
35 the new electric power generating plant, as described in

1 section 437A.16, shall pay the replacement generation tax
2 associated with the allocation of the local amount to the
3 county treasurer of the county in which the local amount is
4 located and shall remit the remaining replacement generation
5 tax, if any, to the director, according to paragraph "a", for
6 remittance of the tax to county treasurers. The director
7 shall notify each taxpayer on or before August 31 following a
8 tax year of its remaining replacement generation tax to be
9 remitted to the director. All remaining replacement
10 generation tax revenues received by the director shall be
11 deposited in the property tax relief fund created in section
12 426B.1, and shall be distributed as provided in section
13 426B.2.

14 Sec. 6. Section 437A.15, subsection 3, Code Supplement
15 2001, is amended by adding the following new paragraph:

16 NEW PARAGRAPH. f. Notwithstanding the provisions of this
17 section, if the taxpayer is a municipal utility or a municipal
18 owner of an electric power facility financed under the
19 provisions of chapter 28F or 476A, the assessed value, other
20 than the local amount, of a new electric power generating
21 plant shall be allocated to each taxing district in which the
22 municipal utility or municipal owner is serving customers and
23 has electric meters in operation, in the ratio that the number
24 of operating electric meters of the municipal utility or
25 municipal owner located in the taxing district bears to the
26 total number of operating electric meters of the municipal
27 utility or municipal owner in the state as of January 1 of the
28 tax year. If the municipal utility or municipal owner of an
29 electric power facility financed under the provisions of
30 chapter 28F or 476A has a new electric power generating plant
31 but the municipal utility or municipal owner has no operating
32 electric meters in this state, the municipal utility or
33 municipal owner shall pay the replacement generation tax
34 associated with the new electric power generating plant
35 allocation of the local amount to the county treasurer of the

1 county in which the local amount is located and shall remit
2 the remaining replacement generation tax, if any, to the
3 director at the times contained in section 437A.8, subsection
4 4, for remittance of the tax to the county treasurers. All
5 remaining replacement generation tax revenues received by the
6 director shall be deposited in the property tax relief fund
7 created in section 426B.1, and shall be distributed as
8 provided in section 426B.2.

9 Sec. 7. RETROACTIVE APPLICABILITY DATE. This Act applies
10 retroactively to tax years beginning on or after January 1,
11 2002.

12 EXPLANATION

13 This bill amends various provisions of Code chapter 437A,
14 relating to the replacement generation tax, and related
15 provisions in Code section 426B.2. The bill makes conforming
16 amendments to various replacement generation tax provisions
17 relating to new electric power generating plants to be built
18 in the state of Iowa and the allocation of replacement
19 generation tax of stand-alone new electric power generating
20 plants.

21 The bill adds a new definition for "new electric power
22 generating plant" and addresses its assessed value in Code
23 section 437A.3. The bill defines the assessed value of a new
24 electric power generating plant as 8 percent of the assessed
25 value, which under Code section 437A.19 would be the book
26 value of the completed plant, but excludes construction work
27 in progress from the assessed value of a new electric power
28 generating plant.

29 The bill provides, in Code section 437A.7, a replacement
30 transmission tax at increased rates on municipal utilities
31 whose anticipated tax revenue exceeded its replacement
32 transmission tax by more than \$100,000 for the tax year 1999.
33 If such utility acquires transmission lines in 2001 or
34 thereafter, those lines will be subject to tax at the rates in
35 Code section 437A.7, subsection 1, paragraphs "a" through "d".

1 The bill adds a new paragraph to Code section 437A.8,
2 subsection 4, to provide for the remission of replacement
3 generation tax in cases of certain new electric power
4 generating plants. The bill provides a method for allocation
5 of replacement generation tax incurred by a stand-alone new
6 electric power generating plant whereby the tax attributed to
7 the local amount as defined in Code section 437A.3, subsection
8 13, is paid to the county treasurer and the remaining tax, if
9 any, is paid to the director who deposits the tax receipts
10 into the property tax relief fund created in Code section
11 426B.1 for distribution as provided in Code section 426B.2.
12 This provision is applicable even if the taxpayer has other
13 Iowa operating property as long as the taxpayer's other Iowa
14 operating property is limited to operating property directly
15 serving the new electric power generating plant. The
16 replacement generation tax is placed in the property tax
17 relief fund for distribution, along with other state moneys,
18 to counties to reimburse the counties for their qualified
19 mental health, mental retardation, and developmental
20 disabilities services expenditures.

21 The bill provides in Code section 426B.2 that in
22 determining whether property tax relief fund moneys provided
23 to a county are more or less than in the previous fiscal year,
24 replacement taxes shall not be considered in such
25 determination. The bill also amends Code section 426B.2,
26 subsection 3, to provide that all replacement tax receipts in
27 the property tax relief fund as of November 1 of the calendar
28 year immediately preceding the following fiscal year shall be
29 paid to the county treasurers in July and January of each
30 year.

31 The bill adds a new paragraph to Code section 437A.15,
32 subsection 3, pertaining to the assessed value of a new
33 electric power generating plant owned by a municipal utility
34 or municipal owner. The bill provides a method of allocation
35 of replacement generation tax incurred by stand-alone electric

1 power generating plants of municipal utilities and municipal
2 owners who have an electric power facility financed under Code
3 chapter 28F or 476A and provides a method of allocation of
4 replacement generation tax on the basis of operating electric
5 meters with respect to other municipal utilities and municipal
6 owners who have an electric power facility financed under Code
7 chapter 28F or 476A.

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

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SENATE FILE 2308**S-5386**

1 Amend Senate File 2308 as follows:

2 1. Page 2, by inserting after line 9 the
3 following:

4 "Sec. ____ Section 437A.5, Code 2001, is amended
5 by adding the following new subsection:

6 NEW SUBSECTION. 10. a. For purposes of this
7 subsection, "new gas-fired turbine generator system"
8 means such a system that initially generates
9 electricity subject to replacement generation tax
10 under section 437A.6 on or after January 1, 2002.

11 b. Notwithstanding anything to the contrary in
12 this chapter or the provisions of any other law or
13 charter, the board of supervisors of the county in
14 which a new gas-fired turbine generator system is
15 proposed to be located may enter into an agreement
16 with any person to exempt certain natural gas consumed
17 for generation purposes from the tax imposed by this
18 section on behalf of all local taxing authorities with
19 respect to all local taxing districts located within
20 that county for such period and upon such terms and
21 conditions as the board may determine, provided,
22 however, that this exemption shall apply only to
23 natural gas used or to be used by a new gas-fired
24 turbine generator system located in that county to
25 generate electricity subject to the replacement
26 generation tax imposed by section 437A.6.

27 c. The board of supervisors shall consult local
28 taxing authorities within the county as to the
29 advisability of entering into such an agreement and
30 the positive economic impact that granting an
31 exemption would have on the county.

32 d. During the period that any exemption granted in
33 accordance with this subsection is in effect, any
34 delivery of natural gas used or to be used by a new
35 gas-fired turbine generator system located in that
36 county to generate electricity shall be excluded for
37 purposes of computing the recalculation of replacement
38 tax on the delivery of natural gas under this
39 section."

40 2. By renumbering, redesignating, and correcting
41 internal references as necessary.

By SANDRA GREINER
DAVID MILLER

S-5386 FILED APRIL 3, 2002

W/19

4/12/02

(P. 1166)

SENATE FILE 2308

S-5471

1 Amend Senate File 2308 as follows:

2 1. Page 2, by inserting after line 9 the
3 following:

4 "Sec. ____ . Section 437A.5, Code 2001, is amended
5 by adding the following new subsection:

6 NEW SUBSECTION. 10. a. Notwithstanding anything
7 to the contrary in this chapter or the provisions of
8 any other law or charter, the board of supervisors of
9 a county, in which a natural gas-fired turbine
10 generator system is proposed to be located or is
11 located, may enter into an agreement described in this
12 paragraph with any person. The agreement may provide
13 that the board will pay to any person designated in
14 the agreement a sum equal to all or any part of the
15 amount of the tax paid to that county and to all local
16 taxing districts located within that county pursuant
17 to this section, with respect to natural gas used or
18 to be used by a natural gas-fired turbine generator
19 system located in that county to generate electricity,
20 for such period and upon such terms and conditions as
21 the board may determine.

22 b. The board of supervisors shall consult local
23 taxing authorities within the county as to the
24 advisability of entering into such an agreement and
25 the positive economic impact that granting an
26 exemption would have on the county.

27 c. During the period that any agreement entered
28 into in accordance with this subsection is in effect,
29 any delivery of natural gas used or to be used by a
30 new gas-fired turbine generator system located in that
31 county to generate electricity shall be excluded for
32 purposes of computing the recalculation of replacement
33 tax on the delivery of natural gas under this
34 section."

35 2. By renumbering, redesignating, and correcting
36 internal references as necessary.

By DAVID MILLER
SANDRA GREINER

S-5471 FILED APRIL 10, 2002

w/d
4/12/02
(p. 1166)

SENATE FILE 2308**S-5493**

1 Amend Senate File 2308 as follows:

2 1. Page 2, by inserting after line 9 the
3 following:

4 "Sec. ____ . Section 437A.5, Code 2001, is amended
5 by adding the following new subsection:

6 NEW SUBSECTION. 10. a. Notwithstanding anything
7 to the contrary in this chapter or the provisions of
8 any other law or charter, the board of supervisors of
9 a county, in which a natural gas-fired turbine
10 generator system is proposed to be located or is
11 located, may enter into an agreement described in this
12 paragraph with any person. The agreement may provide
13 that the board will pay to any person designated in
14 the agreement, subsequent to the payment of tax
15 required under this section, a sum equal to all or any
16 part of the amount of the tax paid to that county and
17 to all local taxing districts located within that
18 county pursuant to this section, with respect to
19 natural gas used or to be used by a natural gas-fired
20 turbine generator system located in that county to
21 generate electricity, for such period and upon such
22 terms and conditions as the board may determine.

23 b. The board of supervisors shall consult local
24 taxing authorities within the county as to the
25 advisability of entering into such an agreement and
26 the positive economic impact that the agreement would
27 have on the county.

28 c. During the period that any agreement entered
29 into in accordance with this subsection is in effect,
30 any delivery of natural gas used or to be used by a
31 new gas-fired turbine generator system located in that
32 county to generate electricity shall be excluded for
33 purposes of computing the recalculation of replacement
34 tax on the delivery of natural gas under this
35 section."

36 2. By renumbering, redesignating, and correcting
37 internal references as necessary.

By DAVID MILLER
SANDRA GREINER

S-5493 FILED APRIL 11, 2002

Lost
4/12/02
(p. 1169)