

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 207	House Committee:	PASSED on 2/1/23 (25-0)
Committee:	Ways and Means	House Floor:	
Floor Manager:	Rep. Harris	Senate Floor:	
Date:	February 15, 2023	Governor:	
Staff:	Kristi Kious (2-5290)		

Wastewater Systems—Property Tax Exemption

- Municipal wastewater systems do not currently pay property taxes. This proposed exemption would prevent a new tax on privately operated wastewater systems. (There seems to be a trend of municipal wastewater selling themselves to privately operated ones).
- **Fiscal note** – Unavailable

Section by Section Analysis

Section 1 – Definitions (427.1)

[New subsection] This section establishes a property tax exemption for property owned or operated by a public utility that is directly and primarily used for providing sanitary sewage or storm water draining disposal by piped collection. A privately-operated wastewater system fits in the definition of *public utility* under 476.1.

Section 2 – Chapter 476 utility tariffs

This section requires public utilities that own or operate the property exempted under the bill to file revised tariffs under Code chapter 476 on or before October 1, 2023, to reflect the exemption in the bill and, if applicable, provide a credit to ratepayers.

Section 3 – Implementation

This section provides that a political subdivision is required to allow this tax exemption without a state appropriation.

Section 4 – Effective date

This section provides that the bill is effective upon enactment.

Section 5 – Retroactive applicability

This section provides that the bill applies to assessment years beginning on or after January 1, 2023.