

1 service providers may not be assessed an occupational license
2 tax on a per-instrument basis.

3 (4) After the conditions specified in subsections (2)
4 and (3) are met, municipalities and counties may, every other
5 year thereafter, increase by ordinance the rates of local
6 occupational license taxes by up to 5 percent. The increase,
7 however, may not be enacted by less than a majority plus one
8 vote of the governing body. Nothing in this chapter shall be
9 construed to prohibit a municipality or county from decreasing
10 or repealing any license tax authorized under this chapter.

11 Section 2. This act shall take effect upon becoming a
12 law.

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14 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
15 COMMITTEE SUBSTITUTE FOR
16 Senate Bill 1022

17 The committee substitute provides a window for municipalities
18 that adopted an occupational license tax ordinance between
19 October 1, 1995 and October 1, 2006, to reclassify businesses,
20 professions, and occupations and to establish new rate
21 structures if certain conditions are met. It deletes language
22 in the bill relating to local exchange telephone providers. It
23 provides specific statutory authority for a local government
24 to decrease or eliminate an occupational license tax.
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