

CHAPTER 1250**STATE FUND ALLOCATIONS TO LOCAL GOVERNMENT***H.F. 2457*

AN ACT relating to payments for local school districts, area schools, counties, cities, local conference boards, county hospitals, and county agricultural extension councils.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. 405A.1 DEFINITIONS.

As used in this chapter, unless the context requires otherwise:

1. "Personal property replacement base" means the personal property tax replacement base as described in section 427A.12, subsection 2, paragraph "c".
2. "Political subdivision" means a city, county, local conference board established pursuant to chapter 441, county hospital established pursuant to chapter 347 or 347A, or county agricultural extension council elected pursuant to chapter 176A.
3. "Local government" means a school district, area school, city, county, local conference board established pursuant to chapter 441, county hospital established pursuant to chapter 347 or 347A, or county agricultural extension council elected pursuant to chapter 176A.

Sec. 2. NEW SECTION. 405A.2 GENERAL ALLOCATION.

The general allocation for each local government is equal to the product of the following for all of the taxing districts comprising the local government: The ratio of sixty-five million to the total personal property replacement base in the state multiplied by the personal property replacement base of the taxing district, and the product multiplied by the ratio of the tax rate of the local government for taxes payable in the fiscal year ending June 30, 1987, to the consolidated tax rate of the taxing district for taxes payable in the fiscal year ending June 30, 1987.

Sec. 3. NEW SECTION. 405A.3 CITY ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each city in the state is equal to the sum of the following:
 - a. The general allocation as determined pursuant to section 405A.2.
 - b. The ratio of the population of each city to the total population of all cities in the state, multiplied by twenty-seven million three hundred thousand dollars. The population of each city shall be determined by the latest available federal census. A city may have one special federal census taken each decade, and the population figure obtained shall be used in apportioning amounts under this subsection beginning the calendar year following the year in which the special census is certified to the secretary of state. If a city has annexed territory since the last regular or special federal census, the mayor and council shall certify to the treasurer of state the actual population of the annexed territory as determined by the last certified federal census of the territory and the apportionment of funds under this subsection shall be based upon the population of the city as modified by the certification of the population of the annexed territory until the next regular or special federal census enumeration.
 - c. The amount of moneys and credits replacement received by the city under section 422.100 for the fiscal year ending June 30, 1988.
2. A city shall not receive an apportionment of funds under this section after its dissolution. After the dissolution of a city, its general allocation as determined under section 405A.2 and the allocation as determined under subsection 1, paragraph "c" of this section shall be paid to the county in which the dissolved city was located. If two or more cities have consolidated, the apportionment of funds under this section shall be determined by adding the apportionment of the consolidating cities.

Sec. 4. NEW SECTION. 405A.4 COUNTY ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each county in the state is equal to the sum of the following:

a. The general allocation as determined pursuant to section 405A.2.

b. The ratio of the population of each county residing in the unincorporated area of the county to the total population residing in the unincorporated areas of all the counties, multiplied by five million four hundred thousand dollars. The population of each county shall be determined by the latest available federal census.

c. The ratio of the personal property replacement base of the county to the total personal property replacement base of all counties in the state, multiplied by four hundred forty-seven thousand dollars.

2. The allocation of a county as determined under subsection 1 may be credited to the general, rural services, secondary road, or other special revenue fund of the county.

Sec. 5. NEW SECTION. 405A.5 LOCAL CONFERENCE BOARD ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each local conference board in the state is equal to the general allocation of the local conference board as determined in section 405A.2.

2. When the office of city assessor is discontinued, the amounts that would otherwise be due to the city conference board under this section shall be paid to the county conference board.

Sec. 6. NEW SECTION. 405A.6 COUNTY HOSPITAL ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each county hospital in the state is equal to the general allocation of the county hospital as determined in section 405A.2.

2. When a county hospital is discontinued or organized pursuant to chapter 37, the amounts that would otherwise be due to the hospital under this section shall be paid to the county.

Sec. 7. NEW SECTION. 405A.7 AGRICULTURAL EXTENSION COUNCIL ALLOCATIONS.

For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each county agricultural extension council in the state is equal to the general allocation of the county agricultural extension council as determined in section 405A.2.

Sec. 8. NEW SECTION. 405A.8 APPROPRIATIONS.

1. There are appropriated from the general fund of the state to the department of revenue and finance the following sums to carry out the provisions of this chapter: For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, sixty-seven million seven hundred thirty-seven thousand (67,737,000) dollars.

2. If, for any fiscal year the amount appropriated is insufficient to pay in full the amounts due to all political subdivisions, then the amount of each payment shall be reduced by the same percentage, so that the aggregate payments to all political subdivisions are equal to the amount appropriated for such payments. If, for any fiscal year the amount appropriated is in excess of the amounts due to all political subdivisions, then the amount of each payment shall be increased by the same percentage, so that the aggregate payments to all political subdivisions are equal to the amount appropriated for such payments.

Sec. 9. NEW SECTION. 405A.9 PAYMENT SCHEDULE.

The amounts due each political subdivision for each fiscal year shall be paid in the form of warrants payable to the treasurers of the respective political subdivisions by the department of revenue and finance according to the following schedule:

1. One-half of the amount due for a fiscal year shall be paid on December 15 of that fiscal year.

2. One-half of the amount due for a fiscal year shall be paid on March 15 of that fiscal year.

Sec. 10. Section 123.53, subsections 3, 4, 5, and 6, Code 1987, are amended by striking the subsections.

Sec. 11. Section 286A.11, Code 1987, is amended by adding the following new subsection:
NEW SUBSECTION. 4. An amount equal to the general allocation of the area school as determined under section 405A.2.

Sec. 12. Section 331.429, subsection 1, paragraphs a and b, Code Supplement 1987, are amended to read as follows:

a. Transfers from the general fund not to exceed in any year the dollar equivalent of a tax of sixteen and seven-eighths cents per thousand dollars of assessed value on all taxable property in the county multiplied by the ratio of current taxes actually collected and apportioned for the general basic levy to the total general basic levy for the current year, and an amount equivalent to the moneys derived by the general fund from military service tax credits under chapter 426A, mobile home taxes under section 135D.22, ~~the personal property tax replacement fund under section 427A.12, subsection 6,~~ and delinquent taxes for prior years collected and apportioned to the general basic fund in the current year, multiplied by the ratio of sixteen and seven-eighths cents to three dollars and fifty cents.

b. Transfers from the rural services fund not to exceed in any year the dollar equivalent of a tax of three dollars and three-eighths cents per thousand dollars of assessed value on all taxable property not located within the corporate limits of a city in the county multiplied by the ratio of current taxes actually collected and apportioned for the rural services basic levy to the total rural services basic levy for the current year and an amount equivalent to the moneys derived by the rural services fund from ~~the livestock tax credits under section 427.17,~~ military service tax credits under chapter 426A, mobile home taxes under section 135D.22, ~~the personal property tax replacement fund under section 427A.12, subsection 6,~~ and delinquent taxes for prior years collected and apportioned to the rural services basic fund in the current year, multiplied by the ratio of three dollars and three-eighths cents to three dollars and ninety-five cents.

Sec. 13. Section 411.20, subsection 1, Code 1987, is amended to read as follows:

1. There is appropriated from the general fund of the state ~~to the municipal assistance fund established in chapter 405~~ for each fiscal year an amount necessary to be distributed to cities which have established fire and police retirement systems under the provisions of this chapter. Funds shall be used to finance the costs of benefits provided in this chapter by amendments of the Acts of the Sixty-sixth General Assembly, chapter 1089.

Sec. 14. Section 427A.12, subsection 6, Code 1987, is amended by striking the subsection.

Sec. 15. Section 427A.13, Code 1987, is amended to read as follows:
427A.13 APPROPRIATION.

There is appropriated from the general fund of the state to the personal property tax replacement fund the following sums, or so much thereof as may be necessary, to carry out the provisions of this chapter as amended by this division. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, there is appropriated the sum of thirty-one million nine hundred thousand dollars. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, and each succeeding fiscal year, there is appropriated the sum of thirty-five million seven hundred thousand dollars. For each year of the fiscal period beginning July 1, 1977 and ending June 30, 1979 the total appropriation shall be thirty-eight million six hundred thousand dollars. For the fiscal year beginning July 1, 1983 and ending June 30, 1984, the total appropriation shall be forty-six million two hundred thousand dollars. For the fiscal year beginning July 1, 1984

and ending June 30, 1985, the total appropriation shall be twenty-three million one hundred thousand dollars. For the fiscal year beginning July 1, 1985 and ending June 30, 1986, and each succeeding fiscal year, the total appropriation shall be an amount equal to the amount paid on May 15 of the preceding fiscal year plus one-half of the amount needed to fund the additional personal property tax credit payable in that fiscal year. In each fiscal year for which an increase in the additional personal property tax credit becomes effective as provided in this division, the appropriation under this section shall be increased by three million eight hundred thousand dollars, and this increased appropriation shall continue for each succeeding fiscal year. For the fiscal year beginning July 1, 1987, the total appropriation shall be fifty-nine million five hundred thousand dollars. For the fiscal year beginning July 1, 1988, and for each succeeding fiscal year, the total appropriation shall be sixty-eight million five hundred thousand dollars per year. For the fiscal year beginning July 1, 1989, and for each succeeding fiscal year, the total appropriation shall be zero.

Sec. 16. Section 442.2, subsections 2 and 3, Code 1987, are amended by striking the subsections.

Sec. 17. Section 442.3, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For school years beginning July 1, 1988, and subsequent school years, the state foundation base shall be increased by the sum of the following amounts:

1. The amount included in the district's budget for the fiscal year beginning July 1, 1986, for the additional portion of the livestock tax credit pursuant to section 442.2, subsection 2 as it appeared in the 1987 Code.

2. The difference between the following amounts:

a. The general allocation of the school district as determined under section 405A.2.

b. The foundation property tax rate multiplied by the total actual value of all personal property assessed for valuation in the school district as of January 1, 1973, excluding livestock.

Sec. 18. Section 442.26, Code 1987, is amended to read as follows:

442.26 APPROPRIATIONS.

There is hereby appropriated each year from the general fund of the state an amount necessary to pay the state school foundation aid.

All state aids paid under this chapter, unless otherwise stated, shall be paid in monthly installments beginning on September 15 of a budget year and ending on June 15 of the budget year and the installments shall be as nearly equal as possible as determined by the department of management, taking into consideration the relative budget and cash position of the state resources. However, an amount of state school foundation aid equal to the general allocation of the school district as determined under section 405A.2 and the amount for the tax credit for livestock pursuant to section 442.2, subsection 2 as it appeared in the 1987 Code, shall be paid to the school district on July 15 of the subsequent fiscal year, and the appropriation for this amount shall be made for the fiscal year during which the payment is made. However, the state aids paid to school districts under section 442.28 shall be paid in monthly installments beginning on December 15 and ending on June 15 of a budget year and state aids paid to school districts under section 442.38 shall be paid in monthly installments beginning on February 15 and ending on June 15 of a budget year.

All moneys received by a school district from the state under the provisions of this chapter shall be deposited in the general fund of the school district, and may be used for any school general fund purpose.

Sec. 19. Section 444.3, unnumbered paragraphs 2, 3, 4, and 5, Code 1987, are amended by striking the unnumbered paragraphs.

Sec. 20. For the fiscal year beginning July 1, 1987, and ending June 30, 1988, the payments are scheduled to be made on January 1, 1988, and July 1, 1988. It is the intent of the general assembly that the July 1, 1988, payment shall be made pursuant to section 123.53, subsections 3, 4, 5, and 6.

Sec. 21. Section 422.100, Code 1987, is repealed. Section 427.17, Code Supplement 1987, is repealed.

Sec. 22. Chapters 334A and 405, Code 1987, are repealed.

Approved May 14, 1988

CHAPTER 1251

PROPERTY TAX CHALLENGES

H.F. 2476

AN ACT relating to administrative procedures to challenge the identification, classification, and exemption of property for taxation purposes.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 421.1, subsection 4, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

Advise and counsel with the director of revenue and finance concerning the tax laws and the rules adopted pursuant to the law; and, upon its own motion or upon appeal by any affected taxpayer, review the record evidence and the decisions of, and any orders or directive issued by, the director of revenue and finance for the identification of taxable property, classification of property as real or personal, or for assessment and collection of taxes by the department, or an order to reassess or to raise assessments to any local assessor and shall affirm, modify, reverse, or remand them within sixty days from the date the case is submitted to the board for decision. For an appeal to the board to be valid, written notice must be given to the department within thirty days of the rendering of the decision, order, or directive from which the appeal is taken. The director shall certify to the board the record, documents, reports, audits, and all other information pertinent to the decision, order, or directive from which the appeal is taken.

Sec. 2. Section 441.37, subsection 1, paragraph c, Code 1987, is amended to read as follows:

c. That the property is not assessable, is exempt from taxes, or is misclassified and stating the reasons therefor for the protest.

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