

H.F. 1257 sub fac S.F. 1186 3/6
Motion to Reconsider 3/6 - S.J.P. 705
- w.d. 3/7/72

FEB 25 1972

HOUSE FILE 1257

Place On Calendar

By COMMITTEE ON WAYS AND MEANS
(Committee on Ways and Means)

Passed House, Date 3-2-72 Passed Senate, Date 3-6-72
Vote: Ayes 75 Nays 15 Vote: Ayes 43 Nays 2
Approved March 15, 1972

Motion to reconsider filed 3-2-72 (910)

A BILL FOR

- 1 An Act relating to urban renewal projects and bonds.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. Section four hundred three point six (403.6),
2 Code 1971, is amended by adding the following new subsection:

3 "To acquire or dispose of by purchase, construction, or
4 lease, or otherwise to deal in air rights, and facilities
5 or easements for lateral or vertical support of land or
6 structures of any kind."

7 Sec. 2. Section four hundred three point twelve (403.12),
8 subsection five (5), Code 1971, is amended to read as follows:

9 5. For the purposes of this section, or for the purpose
10 of aiding in the planning, undertaking or carrying out of
11 an urban renewal project of a municipality, ~~such~~ the
12 municipality may, in addition to any authority to issue bonds
13 pursuant to section 403.9, issue and sell its general
14 obligation bonds. Any bonds issued by a municipality pursuant
15 to this section ~~shall~~ must be issued by resolution of the
16 council in the manner and within the limitations prescribed
17 by the laws of this state for the issuance and authorization
18 of bonds by such municipality for public purposes generally
19 chapter 408A. Bonds issued pursuant to the provisions of
20 this subsection must be sold in the manner prescribed by
21 chapter 75. The power granted in this subsection for the
22 financing of public improvements within an urban renewal
23 project shall not be construed as a limitation of the existing
24 powers of cities and towns.

25 Sec. 3. Section four hundred three point nineteen (403.19),
26 subsections one (1) and two (2), Code 1971, are amended to
27 read as follows:

28 1. That portion of the taxes which would be produced by
29 the rate ~~upon~~ at which the tax is levied each year by or for
30 each of the taxing districts upon the total sum of the assessed
31 value of the taxable property in the urban renewal project,
32 as shown on the assessment roll used in connection with the
33 taxation of ~~such~~ property by ~~such~~ the taxing district, last
34 equalized prior to the effective date of ~~such~~ the ordinance,
35 or the assessment roll last equalized prior to the date of

1 initial adoption of the urban renewal plan in the case of
2 projects commenced prior to July 1, 1972, shall be allocated
3 to and when collected be paid into the fund for the respective
4 taxing district as taxes by or for said taxing district into
5 which all other property taxes are paid. For the purpose
6 of allocating taxes levied by or for any taxing district which
7 did not include the territory in an urban renewal project
8 on the effective date of such the ordinance or initial adoption
9 of the plan, but to which such the territory has been annexed
10 or otherwise included after such the effective date, the
11 assessment roll of the county last equalized on the effective
12 date of the ordinance or initial adoption of the plan shall
13 be used in determining the assessed valuation of the taxable
14 property in the project on the effective date ~~and~~.

15 2. That portion of the taxes each year in excess of such
16 amount shall be allocated to and when collected be paid into
17 a special fund of the municipality to pay the principal of
18 and interest on loans, moneys advanced to, or indebtedness,
19 whether funded, refunded, assumed, or otherwise, including
20 bonds issued under the authority of section 403.9, subsection
21 1, incurred by such the municipality to finance or refinance,
22 in whole or in part, such the redevelopment project, except
23 that taxes for the payment of bonds and interest of each
24 taxing district must be collected against all taxable property
25 within the taxing district without limitation by the provisions
26 of this subsection. Unless and until the total assessed
27 valuation of the taxable property in an urban renewal project
28 exceeds the total assessed value of the taxable property in
29 such project as shown by the last equalized assessment roll
30 referred to in subsection 1 of this section, all of the taxes
31 levied and collected upon the taxable property in such the
32 urban renewal project shall be paid into the funds for the
33 respective taxing districts as taxes by or for said taxing
34 districts in the same manner as all other property taxes.
35 When such loans, advances, indebtedness, and bonds, if any,

1 and interest thereon, have been paid, all moneys thereafter
2 received from taxes upon the taxable property in such urban
3 renewal project shall be paid into the funds for the respective
4 taxing districts in the same manner as taxes on all other
5 property.

6 EXPLANATION

7 This bill modifies certain provisions of the urban renewal
8 law. Section 1 authorizes dealing in air rights and support
9 rights, to facilitate development of urban renewal land.

10 Section 2 modifies the section relating to general obligation
11 bonds, to make it consistent with a recent case, Webster
12 Realty Co. v. City of Fort Dodge, found at 174 N.W.2nd 413.

13 Section 3 amends section 403.19, which was added to the
14 urban renewal law by chapter 237, Acts of the Sixty-third
15 General Assembly, First Session. This section, with the
16 amendments in the bill, refines existing provisions for
17 allocation of tax proceeds from the increase in taxable value
18 of an urban renewal project, to pay bonds or other indebtedness
19 otherwise authorized in chapter 403, except that regular debt
20 service levies for schools, counties, cities, or other taxing
21 districts must be made equally on all taxable property in
22 the urban renewal district.

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