

FILED 1979

SENATE FILE 299

By COMMITTEE ON COMMERCE
Approved 2/20 (p. 502)

Passed Senate, Date 3-5-79 (p. 644) Passed House, Date 3-13-79 (p. 821)

Vote: Ayes 37 Nays 2 Vote: Ayes 64 Nays 27

Approved May 3, 1979
Motion to amend 3/13 House 4/24/79

A BILL FOR

1 An Act to authorize municipal support for the establishment
2 of national, regional or divisional headquarters facilities
3 of multistate businesses in Iowa by permitting municipal
4 acquisition, lease, sale and loan of property, issuance
5 of revenue bonds, and granting of easements.

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

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

1 Section 1. Section four hundred nineteen point one (419.1),
2 subsection two (2), Code 1979, is amended to read as follows:

3 2. "Project" means all or any part of, or any interest
4 in, (a) any land, buildings or improvements, whether or not
5 in existence at the time of issuance of the bonds issued under
6 authority of this chapter, which shall be suitable for the
7 use of any voluntary nonprofit hospital, clinic or health
8 care facility as defined in section 135C.1, subsection 4,
9 or of any private college or university, whether for the
10 establishment or maintenance of such college or university,
11 or of any industry or industries for the manufacturing,
12 processing or assembling of any agricultural or manufactured
13 products, even though such processed products may require
14 further treatment before delivery to the ultimate consumer,
15 or of any commercial enterprise engaged in storing, warehousing
16 or distributing products of agriculture, mining or industry
17 including but not limited to barge facilities and river-front
18 improvements useful and convenient for the handling and storage
19 of goods and products, or of a national, regional or divisional
20 headquarters facility of a company that does multistate
21 business, or (b) pollution control facilities which shall
22 be suitable for use by any industry, commercial enterprise
23 or utility. "Pollution control facilities" means any land,
24 buildings, structures, equipment, pipes, pumps, dams,
25 reservoirs, improvements, or other facilities useful for the
26 purpose of reducing, preventing, or eliminating pollution
27 of the water or air by reason of the operations of any
28 industry, commercial enterprise or utility. "Improve",
29 "improving" and "improvements" shall embrace any real prop-
30 erty, personal property or mixed property of any and every
31 kind that can be used or that will be useful in connection
32 with a project, including, without limiting the generality
33 of the foregoing, ~~rights-of-way~~ rights-of-way, roads, streets,
34 sidings, trackage, foundations, tanks, structures, pipes,
35 pipe lines, reservoirs, utilities, materials, equipment,

1 fixtures, machinery, furniture, furnishings, improvements,
2 instrumentalities and other real, personal or mixed property
3 of every kind, whether above or below ground level.

4 Sec. 2. Section four hundred nineteen point eleven
5 (419.11), Code 1979, is amended to read as follows:

6 419.11 TAX EQUIVALENT TO BE PAID--ASSESSMENT PROCEDURE-
7 -APPEAL. Any municipality acquiring, purchasing, constructing,
8 reconstructing, improving or extending any industrial
9 buildings, buildings used as headquarters facilities or
10 pollution control facilities, as provided in this chapter,
11 shall annually pay out of the revenue from such industrial
12 buildings, buildings used as headquarters facilities or
13 pollution control facilities to the state of Iowa and to the
14 city, school district and any other political subdivision,
15 authorized to levy taxes, a sum equal to the amount of tax,
16 determined by applying the tax rate of the taxing district
17 to the assessed value of the property, which the state, county,
18 city, school district or other political subdivision would
19 receive if the property were owned by any private person or
20 corporation, any other statute to the contrary notwithstanding.
21 For purposes of arriving at such tax equivalent, the property
22 shall be valued and assessed by the assessor in whose
23 jurisdiction the property is located, in accordance with
24 chapter 441, but the municipality, the lessee on behalf of
25 the municipality, and such other persons as are authorized
26 by chapter 441 shall be entitled to protest any assessment
27 and take appeals in the same manner as any taxpayer. Such
28 valuations shall be included in any summation of valuations
29 in the taxing district for all purposes known to the law.
30 Income from this source shall be considered under the
31 provisions of section 384.16, subsection 1, paragraph "b".
32 If and to the extent the proceedings under which the bonds
33 authorized to be issued under the provisions of this chapter
34 so provide, the municipality may agree to co-operate with
35 the lessee of a project in connection with any administrative

1 or judicial proceedings for determining the validity or amount
2 of any such payments and may agree to appoint or designate
3 and reserve the right in and for such lessee to take all
4 action which the municipality may lawfully take in respect
5 of such payments and all matters relating thereto, provided,
6 however, that such lessee shall bear and pay all costs and
7 expenses of the municipality thereby incurred at the request
8 of such lessee or by reason of any such action taken by such
9 lessee in behalf of the municipality. Any lessee of a project
10 which has paid, as rentals additional to those required to
11 be paid pursuant to section 419.5, the amounts required by
12 the first sentence of this section to be paid by the
13 municipality shall not be required to pay any such taxes to
14 the state or to any such county, city, school district or
15 other political subdivision, any other statute to the contrary
16 notwithstanding. To the extent that any lessee or contracting
17 party pays taxes on a project or part thereof, the municipality
18 shall not be required to pay the tax equivalent herein
19 provided, and to such extent the lessee or contracting party
20 shall not be required to pay amounts to the municipality for
21 such purpose. This section shall not be applicable to any
22 municipality acquiring, purchasing, constructing,
23 reconstructing, improving, or extending any buildings for
24 the purpose of establishing, maintaining, or assisting any
25 private college or university, nor to any municipality in
26 connection with any project for the benefit of a voluntary
27 nonprofit hospital, clinic, or health care facility, the
28 property of which is otherwise exempt under the provisions
29 of chapter 427. The payment, collection, and apportionment
30 of the tax equivalent shall be subject to the provisions of
31 chapters 445, 446 and 447.

32

EXPLANATION

33 This bill authorizes municipalities to broaden their support
34 of industrial, educational, health-related, warehousing,
35 and pollution-control facilities under chapter 419 of the

1 Code to include the support of facilities used as multistate
2 national, regional or divisional headquarters. Municipal
3 support can be in the form of municipal acquisition, lease,
4 sale, and loan of property, issuance of revenue bonds, and
5 granting of easements. Property taxes on such municipally-
6 owned property would be collectible as if a private person
7 owned the property.

8
9
10
11
12
13

SENATE FILE 299

H-3520

1 Amend Senate File 299 as follows:
2 1. Page 1, by striking lines 19 through 21
3 and inserting in lieu thereof the following: "of
4 goods and products, or of a headquarters facility
5 of a company, or (b) pollution control facilities
6 which shall".

H-3520 FILED *Placed out of order*
MARCH 22, 1979 *4/20 (p. 1710)*

BY COCHRAN of Webster
NORLAND of Worth

SENATE FILE 299

H-3951

1 Amend Senate File 299 as follows:
2 1. Page 1, lines 20 and 21, by striking the words
3 "of a company that does multistate business".
4 2. Page 3, line 26, by inserting after the word
5 "of" the words "a headquarters facility or".
6 3. Amend the title, line 3, by striking the words
7 "of multistate businesses".

H-3951 FILED *Placed out of order*
APRIL 17, 1979 *4/20 (p. 1710)*

BY COCHRAN of Webster
NORLAND of Worth

SENATE FILE 299

AN ACT

TO AUTHORIZE MUNICIPAL SUPPORT FOR THE ESTABLISHMENT OF NATIONAL, REGIONAL OR DIVISIONAL HEADQUARTERS FACILITIES OF MULTISTATE BUSINESSES IN IOWA BY PERMITTING MUNICIPAL ACQUISITION, LEASE, SALE AND LOAN OF PROPERTY, ISSUANCE OF REVENUE BONDS, AND GRANTING OF EASEMENTS.

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

Section 1. Section four hundred nineteen point one (419.1), subsection two (2), Code 1979, is amended to read as follows:

2. "Project" means all or any part of, or any interest in, (a) any land, buildings or improvements, whether or not in existence at the time of issuance of the bonds issued under authority of this chapter, which shall be suitable for the use of any voluntary nonprofit hospital, clinic or health care facility as defined in section 135C.1, subsection 4, or of any private college or university, whether for the establishment or maintenance of such college or university, or of any industry or industries for the manufacturing, processing or assembling of any agricultural or manufactured products, even though such processed products may require further treatment before delivery to the ultimate consumer, or of any commercial enterprise engaged in storing, warehousing or distributing products of agriculture, mining or industry including but not limited to barge facilities and river-front improvements useful and convenient for the handling and storage of goods and products, or of a national, regional or divisional headquarters facility of a company that does multistate business, or (b) pollution control facilities which shall be suitable for use by any industry, commercial enterprise or utility. "Pollution control facilities" means any land, buildings, structures, equipment, pipes, pumps, dams,

reservoirs, improvements, or other facilities useful for the purpose of reducing, preventing, or eliminating pollution of the water or air by reason of the operations of any industry, commercial enterprise or utility. "Improve", "improving" and "improvements" shall embrace any real property, personal property or mixed property of any and every kind that can be used or that will be useful in connection with a project, including, without limiting the generality of the foregoing, ~~rights-of-way~~ rights-of-way, roads, streets, sidings, trackage, foundations, tanks, structures, pipes, pipe lines, reservoirs, utilities, materials, equipment, fixtures, machinery, furniture, furnishings, improvements, instrumentalities and other real, personal or mixed property of every kind, whether above or below ground level.

Sec. 2. Section four hundred nineteen point eleven (419.11), Code 1979, is amended to read as follows:

419.11 TAX EQUIVALENT TO BE PAID--ASSESSMENT PROCEDURE--APPEAL. Any municipality acquiring, purchasing, constructing, reconstructing, improving or extending any industrial buildings, buildings used as headquarters facilities or pollution control facilities, as provided in this chapter, shall annually pay out of the revenue from such industrial buildings, buildings used as headquarters facilities or pollution control facilities to the state of Iowa and to the city, school district and any other political subdivision, authorized to levy taxes, a sum equal to the amount of tax, determined by applying the tax rate of the taxing district to the assessed value of the property, which the state, county, city, school district or other political subdivision would receive if the property were owned by any private person or corporation, any other statute to the contrary notwithstanding. For purposes of arriving at such tax equivalent, the property shall be valued and assessed by the assessor in whose jurisdiction the property is located, in accordance with chapter 441, but the municipality, the lessee on behalf of

the municipality, and such other persons as are authorized by chapter 441 shall be entitled to protest any assessment and take appeals in the same manner as any taxpayer. Such valuations shall be included in any summation of valuations in the taxing district for all purposes known to the law. Income from this source shall be considered under the provisions of section 384.16, subsection 1, paragraph "b". If and to the extent the proceedings under which the bonds authorized to be issued under the provisions of this chapter so provide, the municipality may agree to co-operate with the lessee of a project in connection with any administrative or judicial proceedings for determining the validity or amount of any such payments and may agree to appoint or designate and reserve the right in and for such lessee to take all action which the municipality may lawfully take in respect of such payments and all matters relating thereto, provided, however, that such lessee shall bear and pay all costs and expenses of the municipality thereby incurred at the request of such lessee or by reason of any such action taken by such lessee in behalf of the municipality. Any lessee of a project which has paid, as rentals additional to those required to be paid pursuant to section 419.5, the amounts required by the first sentence of this section to be paid by the municipality shall not be required to pay any such taxes to the state or to any such county, city, school district or other political subdivision, any other statute to the contrary notwithstanding. To the extent that any lessee or contracting party pays taxes on a project or part thereof, the municipality shall not be required to pay the tax equivalent herein provided, and to such extent the lessee or contracting party shall not be required to pay amounts to the municipality for such purpose. This section shall not be applicable to any municipality acquiring, purchasing, constructing, reconstructing, improving, or extending any buildings for the purpose of establishing, maintaining, or assisting any

private college or university, nor to any municipality in connection with any project for the benefit of a voluntary nonprofit hospital, clinic, or health care facility, the property of which is otherwise exempt under the provisions of chapter 427. The payment, collection, and apportionment of the tax equivalent shall be subject to the provisions of chapters 445, 446 and 447.

TERRY E. BRANSTAD
President of the Senate

FLOYD H. MILLEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 299, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved May 3, 1979

ROBERT D. RAY
Governor