

423B.10 Funding urban renewal projects.

1. For purposes of [this section](#), unless the context otherwise requires:

a. “*Base year*” means the fiscal year during which an ordinance is adopted that provides for funding of an urban renewal project by a designated amount of the increased sales and services tax revenues.

b. “*Eligible city*” means a city in which a local sales and services tax imposed by the county applies or a city described in [section 423B.1, subsection 2](#), paragraph “a”, and in which an urban renewal area has been designated.

c. “*Retail establishment*” means a business operated by a retailer as defined in [section 423.1](#).

d. “*Urban renewal area*” and “*urban renewal project*” mean the same as defined in [section 403.17](#).

2. a. Upon approval by the board of supervisors of each applicable county pursuant to paragraph “b”, an eligible city may by ordinance of the city council provide for the use of a designated amount of the increased local sales and services tax revenues collected under [this chapter](#) which are attributable to retail establishments in an urban renewal area to fund urban renewal projects located in the area. The designated amount may be all or a portion of such increased revenues.

b. A city shall not adopt an ordinance under paragraph “a” unless the board of supervisors of each county where the urban renewal area from which such local sales and services tax revenues are to be collected and used to fund urban renewal projects is located first adopts a resolution approving the collection and use of such local sales and services tax revenues.

3. To determine the revenue increase for purposes of [subsection 2](#), revenue amounts shall be calculated by the department of revenue as follows:

a. Determine the amount of local sales and services tax revenue collected from retail establishments located in the area comprising the urban renewal area during the base year.

b. Determine the current year revenue amount for each fiscal year following the base year in the manner specified in paragraph “a”.

c. The excess of the amount determined in paragraph “b” over the base year revenue amount determined in paragraph “a” is the increase in the local sales and services tax revenues of which the designated amount is to be deposited in the special city account created in [section 423B.7, subsection 6](#).

4. The ordinance adopted pursuant to [this section](#) is repealed when the area ceases to be an urban renewal area or twenty years following the base year, whichever is the earlier.

5. In addition to the moneys received pursuant to the ordinance authorized under [subsection 2](#), an eligible city may deposit any other local sales and services tax revenues received by it pursuant to the distribution formula in [section 423B.7, subsections 3, 4, and 5](#), to the special fund described in [section 403.19, subsection 2](#).

6. For purposes of [this section](#), the eligible city shall assist the department of revenue in identifying retail establishments in the urban renewal area that are collecting the local sales and services tax. This process shall be ongoing until the ordinance is repealed.

[2008 Acts, ch 1191, §68](#); [2012 Acts, ch 1124, §23, 27](#)

Referred to in [§2.48](#), [421.17](#), [423B.1](#), [423B.7](#)