

701—237.6 (15J) End of deposits—district dissolution.

237.6(1) *Cessation of deposits.* As of the date 20 years after the district's commencement date, the department shall cease to deposit state sales tax revenues and state hotel and motel tax revenues into the district's account within the fund, unless the municipality dissolves the district by ordinance prior to that date. Once the maximum benefit amount approved by the board for the district has been reached, the department will cease to deposit new tax revenues into the district's account within the fund. If a district reaches the maximum benefit amount, the department shall notify the municipality and the board within a reasonable amount of time.

237.6(2) *District dissolution.* If the municipality dissolves the district by ordinance prior to the expiration of the 20-year period, the municipality shall notify the director of revenue of the dissolution by certified mail as soon as practicable after adoption of the ordinance, and the department shall, as of the effective date of dissolution, cease to deposit state sales tax revenues and state hotel and motel tax revenues into the district's account within the fund. If a municipality is notified that its maximum benefit amount has been reached, the municipality shall dissolve the district by ordinance as soon as practicable after notification.

This rule is intended to implement Iowa Code section 15J.8.

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