

# Fiscal Services Division Legislative Services Agency Fiscal Note

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HF 2066 - Incentives to Consolidate (LSB 5466 HH)  
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Fiscal Note Version - New

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## **Description**

House File 2066 provides for an incentive payment to cities and counties that consolidate governments equal to 5.0% of the homestead tax credits due those local governments. The payments are to be made for ten fiscal years.

## **Assumptions**

1. There are 11 counties the Department of Revenue identifies as having metropolitan areas that might consolidate and receive incentives under this Bill. They are: Black Hawk, Dallas, Dubuque, Johnson, Linn, Polk, Pottawattamie, Scott, Story, Warren, and Woodbury.
2. The Department of Revenue identifies Linn and Polk counties as more likely to consolidate.
3. The FY 2005 and FY 2006 Homestead Tax Credit claims for all 11 counties are estimated to total \$62.5 million and \$65.1 million, respectively. The FY 2005 and FY 2006 claims for Linn and Polk counties are estimated to total \$30.4 million and \$32.5 million, respectively.

## **Fiscal Impact**

The fiscal impact of HF 2066 cannot be determined due to insufficient information. However, if Linn and Polk counties were to receive the incentive, the cost to the General Fund would be \$1.5 million in FY 2005 and \$1.6 million in FY 2006. If all 11 counties were to receive the incentive, the cost to the State General Fund would be \$3.1 million in FY 2005 and \$3.3 million in FY 2006.

## **Source**

Department of Revenue

Dennis C Prouty

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January 27, 2004

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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